







About the Report

GRI 102-32

GRI 102-45

GRI 102-50

GRI 102-51

GRI 102-52

GRI 102-54

This ESG Report 2021 of ROS AGRO PLC (the "Report") contains information about the performance of Rusagro Group (the "Company" or "Rusagro") for the reporting period from 1 January 2021 to 31 December 2021. Previously, this Report was a constituent part of the Company's Annual Report, which is issued annually, and the last one was issued in March 2021. The Report is part of Rusagro's Integrated Annual Report 2021, which consists of the Annual Report and ESG Report.



The Company's Annual Report for 2021 is available

on the Company's website

Material topics

The Report contains information on Rusagro's sustainability strategy and non-financial performance in terms of social, environmental and corporate governance factors. The materiality of sustainability topics is assessed in the relevant section of the Report. The Report also reflects the Company's contribution to the sustainable development goals adopted by the United Nations in 2015 as part of the document "Transforming our world: the 2030 Agenda for Sustainable Development".

The information on Rusagro's progress on its medium-term strategy, the operating and financial performance of its business segments, as well as the status and changes in the Company's corporate governance and capital structure are contained in the Annual Report.

Questions and requests from interested parties can be sent to ir@rusagrogroup.ru

Boundaries

Sustainability data is consolidated for all subsidiaries that have a significant social and economic impact on the Company's stakeholders.

Standards

The Report was prepared on the basis of the management accounts of Rusagro and aligned with the requirements of the following documents:

- The London Stock Exchange Listing
- · The UK Listing Authority's Disclosure and Transparency Rules;
- The Moscow Exchange Listing Rules;
- The core option of the Global Reporting Initiative's sustainability reporting standards;
- Sustainability Accounting Standards Board (SASB) standards.

Audit

The Report was not subject to independent verification.

Approval of the Report

This Report was pre-approved by the Board of Directors of ROS AGRO PLC on 25 February 2022 and then approved by the General Meeting of Shareholders of ROS AGRO PLC on 1 April 2022.

Disclaimer

The Report contains estimations or forwardlooking statements regarding operating, financial, economic, social, environmental and other Rusagro's performance indicators. Actual events or results presented in the subsequent reports may vary materially from those expressed in the estimations and forward-looking statements due to various reasons, in particular the changing market situation and other direct risks to ROS AGRO PLC and its subsidiaries. The Company assumes no responsibility or liability for any losses or damages incurred by individuals or entities through their reliance on the forward-looking statements. Any of such statements represent one of the many possible scenarios and should not be viewed as the most probable scenario.

In addition to the official information on the activities of Rusagro, the Report contains data obtained from third parties and sources that Rusagro considers to be trustworthy. This being said, the Company does not guarantee the accuracy of such information, since it may be abridged or incomplete.

Presentation of numerical data

Since some indicators and percentages in the tables, figures and texts of the Report were rounded to the nearest whole number or the nearest decimal place, the sum of the rounded values may not fully match the totals. Further, some percentages contained in the tables and figures, as well as in the texts of the Report were derived from on the pre-rounded indicators and may therefore not fully match the percentages calculated with the rounded values.

The GRI indicators herein are visually marked with GRI



Judgement of materiality

and topic boundaries GRI 102-46

Defining report content

The sustainability reporting is based on a judgement of materiality and the requirements of applicable standards, involving Rusagro's stakeholders. The materiality judgement undergoes three stages: open source analysis, stakeholder survey and final listing of material topics. Following the 2021 materiality judgement, 18 material topics were listed.

REPORT CONTENT DEFINING STAGES

OPEN SOURCE **ANALYSIS**



Analysis of trend and industry-specific risks. publicly available information on the Company and similar organisations. Prelisting of the material topics

STAKEHOLDER SURVEY



Analysis of the questionnaire survey results of internal stakeholders. Analysis of ESG enquiries from investors and analysts. Shortlisting of the material topics

FINAL LISTING OF MATERIAL TOPICS



Approval of a list of material topics by the Company's Director of Investor Relations and Sustainability. Formation of an approved list of material topics to be incorporated in the Report

MATRIX OF MATERIAL TOPICS

GRI 102-47

Economic

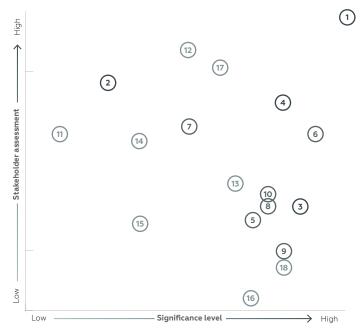
- Economic Performance (GRI 201)
- Anti-corruption (GRI 205)
- Digital Transformation and Innovation
- Responsibility in the Supply Chain (including Environmental and Social Scoping Study of suppliers)

Environmental

- Climate Impact Management
- Energy (GRI 302)
- Water and Effluents (GRI 303)
- Emissions (GRI 305)
- Circular Economy and Waste Management
- (10) Use of Pesticides, Fertilisers and Soil Health

Social

- Employment (GRI 401)
- Occupational Health and Safety
- Training and Education (GRI 404)
- Human Rights
- (15) Diversity and Equal Opportunity (GRI 405)
- (16) Local Communities (GRI 413)
- Customer Health and Safety (GRI 416)
- Animal Welfare



The identified material topics are disclosed in details in the relevant sections of the ESG Report.



Content

STATEMENT BY THE CEO **OF RUSAGRO GROUP OF COMPANIES**

OVERVIEW OF ESG RESULTS

ENVIRONMENTAL FACTORS OF SUSTAINABLE DEVELOPMENT



Environmental protection

SOCIAL FACTORS OF SUSTAINABLE DEVELOPMENT

- Human resources management
- Occupational health and safety
- Support of local communities
- Animal welfare

OF SUSTAINABLE DEVELOPMENT



- ESG strategy and management
- 63 Overview of the corporate governance system
- Ethical business conduct

APPENDICES

GRI index table

Contact information



Product quality and customer safety

Statement by the CEO

of Rusagro Group of Companies

GRI 102-7

Dear shareholders, colleagues and partners,

We are pleased to present Rusagro ESG Report (Sustainability Report) on our environmental protection, social responsibility and development of sustainable practices. The decision to publish the ESG report stems from our strong commitment to transparency and responsibility. This Report will enable the Company to share its sustainable development story with stakeholders: to reflect the results of its activities, to identify challenges and opportunities that arose for the Company in the reporting period, to describe achievements and plans for the development of the ESG¹ agenda



Despite external challenges and the many complexities of 2021, Rusagro's team remained steadfast and determined and continued to deliver on its key objectives of supporting the country's food security. In response to the key challenges of today's world – global climate change, the need to transform linear business models into circular ones, providing a growing population with healthy food and developing human capital - the Company is actively integrating sustainability principles into all elements of the value chain.

Rusagro is intent on making a meaningful contribution to the UN Sustainable Development Goals and to the well-being of society. In 2021, Rusagro took an important step towards developing its ESG agenda: it began to develop a sustainability strategy aimed at the Company's long-term sustainable growth, creating more value for stakeholders and increasing the transparency of non-financial information about the Company's operations.

Protecting the environment

We bear responsibility for the impact of the Company's operations on the climate conditions and various components of the environment in the regions of presence, therefore in the process we are guided by the principles of a closed-cycle economy, which helps reduce the use of all types of resources, as well as the amount of waste, discharges and emissions generated, and try to reuse raw materials and supplies. The Company improves its management approach to environmental impact and implements impact mitigation measures required. Thus, in 2021 greenhouse gas emissions intensity per RUB 1 mn of consolidated revenue dropped by 29%, air emissions intensity – by 24% to 12.81 tonnes per RUB 1 mn of consolidated revenue, while energy intensity went down by 3% to 1.71 MJ per 1 ths tonnes of products made. With water management practices in place, water withdrawal reduced by 16% to 21,515 ths cubic metres and water consumption intensity went down by 22% to 2.05 cubic metres per tonne of products made.

Q

 \square

₽

ESG (eng. Environmental, Social, Governance).

Z

 \supset α

 \supset 0 \propto

O 0

 α O ⋖ S \supset

ROS AGRO

Keeping employees safe

The well-being, safety and health of our employees are our key priorities. We continue improving occupational health and safety management system and making best efforts to enhance our employee safety culture. As a result, the lost time injury frequency rate (LTIFR) slashed out in the reporting period to 1.97 vs. 2.86 last year. Despite our contribution to a safe working environment, we deeply regret to report one work-related fatality that occurred in 2021. We run the relevant investigation process followed by a number of measures taken to make sure that conditions and circumstances that pose a threat to employee health and life do not arise in the future.

With a view to promote the well-being of employees and their families and to support their psycho-emotional and physical health, the Company expanded its flagship With Care for Everyone programme across all key Rusagro assets in 2021. Now, 4,751 employees are already under the constant supervision of an occupational therapist.

Helping to develop the regions of presence

Rusagro makes a significant contribution to the social and economic development of the regions within its footprint. The Company provides employment opportunities and makes timely tax payments. We treasure the identity of local inhabitants and works towards building long-term relationships with local communities based on mutual respect and trust. Our ongoing socially important initiatives in education, sport and culture, as well as charitable projects are meant to support and develop these communities. Social investment made by Company in 2021 totalled RUB 38.8 mn.

Promoting responsible business practices

As a culture of conscious consumption keeps on evolving and consumers grew more concerned about health and immunity support issues, we put a stronger emphasis on improving our product portfolio. Consumers trust Rusagro – the diets of millions of people in 50 countries around the world are based on the products of our Company's make. To build on this trust and live up to stakeholder expectations, we integrate sustainability values into our systems and business processes, thereby improving product quality and safety.

We will keep on strengthening our dialogue with our stakeholders and working to become a driving force for economic and social growth in the regions of our presence.

Thank you to all Rusagro's employees and partners for contributing to our shared success and high performance, and we invite you to read the ESG report, which reflects our efforts and aspirations in promoting sustainable development.

Maxim

Basov

CEO of LLC Rusagro Group of Companies until 31 December 2021, Chairman of the Board of Directors since 10 March 2022



Q



01

STATEMENT BY THE CEO

02

ESG REPORT

OVERVIEW OF ESG RESULTS

03 APPENDICES

ENVIRONMENTAL FACTORS OF SUSTAINABLE DEVELOPMENT



9 Environmental protection

SOCIAL FACTORS OF SUSTAINABLE DEVELOPMENT



- 3 Human resources management
- 38 Occupational health and safety
- 44 Support of local communities
- 48 Animal welfare

CORPORATE GOVERNANCE FACTORS OF SUSTAINABLE DEVELOPMENT



- 52 ESG strategy and management
- 63 Overview of the corporate governance system
- 66 Ethical business conduct
- 69 Supply chain
- 74 Product quality and customer safety

Environmental factors

OF SUSTAINABLE DEVELOPMENT





Environmental protection

MATERIAL TOPICS

- · Managing the climate impact
- · Air emissions
- Water
- Effluents discharge
- Waste
- Circular economy
- · Sustainable agriculture and soil health

GRI, SASB METRICS



2021 HIGHLIGHTS

12.81 t/RUB mn of revenue

AIR EMISSIONS INTENSITY

21,515 ths cu. m

WATER WITHDRAWALS

J 22% 2.05 cu.m/t of products made

WATER CONSUMPTION INTENSITY

43.9 mn t ths tonnes

WASTE GENERATION

J 3% MJ / ths t of products made

ENERGY INTENSITY

CONTRIBUTION TO THE UN SDGs











Q

Environmental factors of sustainable development / Environmental PROTECTION

Q

[3

ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 102-11

GRI 103-2

Rusagro's production activities have an impact on various components of the environment. The measures taken by the Company to alleviate its negative environmental impact are aimed at complying with Russian laws, introducing best related practices and continuously seeking ways to optimise production processes.

The Company's main environmental goals are to save all kinds of resources, reduce the amount of waste, discharges and emissions generated, reuse raw materials and materials and switch to a circular economy.

Rusagro is guided by the following environmental principles:

- compliance with legal and regulatory requirements and standards;
- consistency in addressing environmental security;
- prevention of adverse effects on people and the environment;
- full disclosure on environmental protection and environmental safety activities.

ENVIRONMENTAL MANAGEMENT SYSTEM

Governance structure and environmental protection regulations

GRI 103-2

Environmental management involves all levels of the Company. Operational management is handled by environmental specialists under the supervision of line managers and site directors.

Senior management's key performance indicators (KPIs) at some production areas take into account the effectiveness of environment protection activities as to their compliance with legal requirements to minimise the amount of potential fines.

KPIs are also set for Rusagro's line employees: for example, for environmental specialists in relation to the amount of resources used and waste generated, the number of violations and relevant corrective actions.

The environmental goals are accomplished through the development strategy of business segments. The Oil and Fats Business has an Environmental Policy in place in exemplification of the best practice adopted. Detailed requirements for environmental management are contained in the Company's by-laws regulations, instructions and plans.

Environmental compliance controls

GRI 103-2

An essential element of the environmental management system is regular industrial environmental monitoring and internal audits, the results of which are used to prepare corrective action plans and to appoint responsible parties.

Contractors are also subject to in-process monitoring of compliance with environmental protection rules, in particular for Regulations on Tender Procedures and Regulations on Safe Works Performance by Contractors at the Customer's Site that each Business Segment has in place.

The environmental management system at some of Rusagro's enterprises also includes internal environmental audits as an additional tool for verifying compliance with environmental regulations to assess the current state of the management system.

Environmental risks control at the design stage of facilities

The standard for capital construction investment projects in the Meat Business covers environmental requirements not only for construction companies, but also for the originators of design documentation, and stipulates that all stages of any project are to be witnessed by an environmental protection specialist. This practice ensures that the design documentation is reviewed in a timely manner to incorporate necessary environmental requirements and appropriate amendments, thus avoiding the risk of environmental violations in the future.

 \supset

ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental training and development of employees

GRI 103-2

Rusagro is constantly working towards improving the skills of its environmental team by giving them trainings on highly specialised issues relating to particular environmental aspects. Employees of the Company's environmental services also regularly participate in professional community meetings, round tables and conferences to exchange experience and to shape agenda on current environmental issues, as well as join in Company-hosted training events aimed to develop the environmental safety competencies, such as training in hazardous waste management. To promote a culture of caring attitude to resources and to prevent the environment contamination, Rusagro conducts special events, including waste paper and waste collection and cleaning of territories.

Environmental campaigns in Ulyanovsk

In 2021, Oil and Fats Business in Ulyanovsk run environmental campaigns to collect waste paper, plastic bottle tops and batteries: "Donate Waste Paper – Save a Tree!" and "Kind Bottle Tops".

ENVIRONMENTAL RISK MANAGEMENT

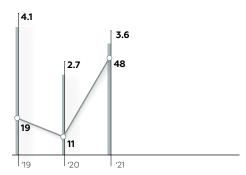
GRI 103-2

GRI 307-1

Environmental risks management builds on a regular review of production processes and related environmental aspects handled by Rusagro's environmental staff on a monthly basis and involves a risk management action plan to be drawn up and accomplished through industrial environmental control programmes.

The four-fold increase in the number of environmental improvement notices filed in 2021 compared to 2020 resulted from a larger number of planned inspections conducted by supervisory authorities. The increase in the total fines was not as significant and exceeded the previous reporting period base by 30%.

FINES AND ENVIRONMENTAL **IMPROVEMENT NOTICES**



- Total amount of fines for non-compliance with environmental laws and regulations, RUB mn
- Number of environmental improvement notices



SUSTAINABLE AGRICULTURE AS A CONTRIBUTION TO THE GLOBAL SUSTAINABLE DEVELOPMENT GOALS

RUSAGRO'S SUSTAINABLE FARMING PROJECTS

Rusagro recognises the responsibility and importance of its contribution to food security, quality and availability.

The Company's agricultural activities are governed by adaptive landscape cropping projects based on science-based principles, stipulating agrolandscape stability and soil fertility recovery achieved through planning optimal quantity and quality of agricultural products, taking into account the existing environmental and economic factors of the region, market demand, as well as available natural and production resources.

The key sustainable farming methods include:

- multi-cropping in the crop rotation system;
- use of cover (green manure) crops;
- mulching of the soil surface;
- application of mineral and organo-mineral fertilizers;
- satellite monitoring of the crops condition.

The use of by-products as an element of circular economy concept

Over recent years, Rusagro has made significant efforts to enable the utilisation of by-products as organic fertilizers, which are made out of liquid manure effluents and lime defecate from sugar production.

In addition to the direct benefit of maintaining and improving soil yields, the by-production recycling initiatives minimise the environmental impact by reducing the amount of waste generated and reducing the cost of third-party waste disposal.

Digital tools for monitoring plant health

The Company's initiative for computeraided monitoring of plant health and growth involves Cropio, a digital service for remote monitoring of farming lands, which allows for operational satellite monitoring of crop area condition, observation of plants growing and accumulation of analytical data on changes in the condition of fields for further forecasting and planning of agricultural operations.

Fertility project

In 2021, Rusagro's launched a comprehensive initiative under the Fertility Project to preserve and enhance soil fertility, including a soil survey and a soil enrichment action plan.

Moreover, the Project envisages a discriminatory application of mineral and organic fertilisers, as well as sowing of perennial leguminous grasses on selected fields for two to three years to let the land rest.



For more details on Rusagro's other digital projects in sustainable farming, see the IT and Innovations section of the Agriculture Business

Z

 \supset

□

0

USAGR







Z

 \supset

□

0

USAGR



SOIL CONSERVATION

GRI 103-1

Land resources are one of Rusagro's most important assets – the Agriculture Segment remains the Company's most profitable business.

Farming is a factor that affects soil and land resources the most, especially in terms of physical stress to soils and landscapes, soil fertility and chemical and biological impact.

Impacts on soil from other Rusagro's segments mainly include the operation of equipment and machinery, construction works on industrial sites, and area contamination with waste generated before the Company acquired the said areas.

SOIL CONSERVATION APPROACH

GRI 103-2

There are two areas the soil conservation measures are focused on: first – sustainable agriculture practices described in "Sustainable Agriculture as a Contribution to the Global Sustainable Development Goals", and second – environmental safety initiatives.

The environmental safety measures cover the following areas:

- development of plans and instructions on the conduct of activities in compliance with soil conservation rules, including individual technical regulations on fertilizer utilisation;
- control over compliance with soil conservation regulations and regular monitoring of soil conditions at facility boundaries to assess the potential spread of pollution;
- in cases of pollution, development of disturbed land recultivation programmes, setting forth time frames and necessary resources to deliver a programme.

PREVENTION OF SOIL POLLUTION AND DISTURBANCE

Soil conservation measures in using manure-based fertilizers

Rusagro uses organic manure-based fertilizer to improve soil quality, but there may be an adverse environmental impact in case of process upsets.

To drive out soil pollution risks, there are process-related regulations, which set out the necessary environmental safety measures. Wash-out of manure is prevented by preparatory and preventive activities, and ammonia emissions into the atmosphere are minimised through a closed manure application method.

Depollution of soils

Long-standing soil pollutions by fuel oil and sulphur at the sugar plants occurred before the Company acquired the said assets. Depollution of soils includes a thorough survey of the areas and subsequent remediation of the contaminated sites.

PLANTING

Planting and site cleanup are aimed to maintain soil health and prevent littering up.

In the reporting period, for example, areas adjacent to the pig farms of the Meat Business were subject to planting. Bedding more than 22 ths trees and shrubs is scheduled for 2022 to plant the filtration fields of the Chernyansky sugar plant around the perimeter, which will have a general sanitary and protective effect and lead to an annual absorption of greenhouse gases of at least 8.3 tonnes.







CLIMATE CHANGE AND IMPACTS ON THE ATMOSPHERE

GRI 305-7

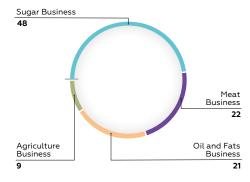
The bulk of Rusagro's air emissions are generated by its boiler houses, which supply heat and power stations and heat production buildings and in the process emit greenhouse gases, nitrogen and sulphur oxides into the air.

A significant volume of emissions in Agriculture, Sugar and Oil and Fats Segments comes from particulate matter emissions generated during grain harvesting and sugar beet and sunflower seeds processing, whereas in the Meat Business, emissions are mainly represented by volatile organic compounds such as methane, carbon dioxide and ammonia.

The Sugar Business records the greatest amount of air emissions, accounting for almost half of the total volume (48%), while the Agriculture Segment enjoys the least figure in this area (9%).

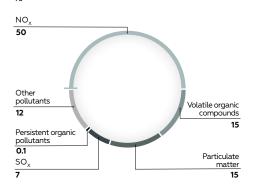
TOTAL AIR EMISSIONS BY BUSINESS IN 2021

%



TOTAL AIR EMISSIONS BY POLLUTANT IN 2021

-%



AN APPROACH TO MANAGING CLIMATE IMPACTS AND AIR EMISSIONS

GRI 103-2

Emissions and climate impact management encompasses a number of important process-related and organisational aspects, such as energy resources and energy efficiency management system, emissions and effluents treatment methods, which are all related to impacts on air quality and the climate. Work is also underway to align the greenhouse gas (GHG) emissions calculation methodology with global best practices.

Below are the key initiatives towards the reduction of atmospheric emissions:

- optimising processes and upgrading production equipment;
- improving the efficiency of gas-cleaning and dust-trapping equipment;
- conducting regular industrial environmental monitoring.

Emission treatment system for the molasses desugarisation facility

The molasses desugarisation process involves the emission of pollutants, such as ammonia. In 2021, the Chernyansky sugar plant launched an emission treatment system. As confirmed by the measurements taken by an independent laboratory, the achieved design efficiency of ammonia removal was at least 90%.

Comprehensive emission abatement measures

The problem of reducing emissions of air pollutants at meat processing plants is approached in a holistic way, for example, manure removal processes employs compounds that reduce the content of ammonia, hydrogen sulphide and methylmercaptan in emissions. Pig farms upgrade their microclimate and climate control systems, and the construction of new facilities involves energy-saving technologies.

Z

CLIMATE CHANGE AND IMPACTS ON THE ATMOSPHERE

2021 HIGHLIGHTS

GRI 305-1 GRI 305-2

GRI 305-4 (SASB FB-AG-110A.1

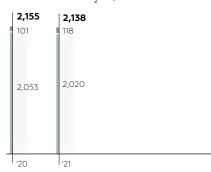
In 2021, the total greenhouse gas emissions (Scope 1 and Scope 2) amounted to 2,138 ths tonnes of CO2-equivalent, remaining almost flat with the previous reporting period (in 2020 - 2,155 ths tonnes of CO2-equivalent). At the same time, greenhouse gas emission intensity rate in the reporting year posted a decline - in particular, emission intensity per unit of products made, per unit of products sold to a third party and per consolidated revenue decreased by 7%, 8% and 30% respectively, so proving the air protection and energy efficiency measures to be effective.

GRI 305-7

The total volume of air emissions in the reporting year went up by 43% due to the expansion and increase in production capacity in the Meat Business, as well as the year-on-year extension of the agricultural season. The latter has a direct impact on air emissions in the Sugar and Agriculture Business Segments.

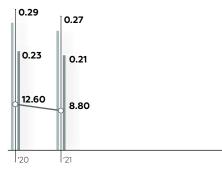
GREENHOUSE GAS EMISSIONS

ths tonnes of CO₂-equivalent



- Direct greenhouse gas emissions (Scope 1)
- Indirect greenhouse gas emissions (from energy consumption from external generation facilities) (Scope 2)

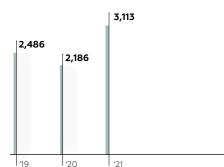
GREENHOUSE GAS EMISSION INTENSITY RATE



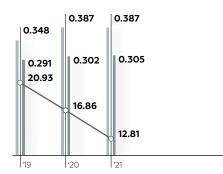
- Emission intensity per unit of products sold to a third party, tonnes of CO₂-equivalent/tonnes
- Emission intensity per unit of products made, tonnes of CO₂-equivalent/tonnes
- Emission intensity per unit of consolidated revenue, tonnes of CO₂-equivalent/RUB mn

TOTAL AIR EMISSIONS

tonnes



AIR EMISSIONS INTENSITY



- Air emissions intensity per unit of products sold to a third party, kg/tonne
- Air emissions intensity per unit of products made, kg/tonne
- Air emissions intensity per consolidated revenue, tonne/RUB mn

 \supset

Z

Ш

 \supset

□

0

USAGR

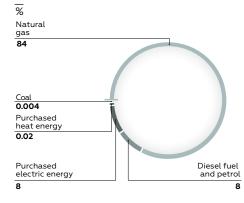


ENERGY MANAGEMENT AND ENERGY EFFICIENCY

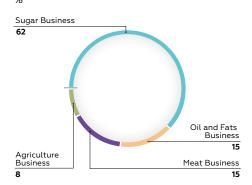
As Rusagro's assets are mainly represented by industrial facilities, they consume significant amounts of energy resources, with the Sugar Business being the largest consumer, and the Agriculture Business – the smallest.

Natural gas is the main type of energy resources used by the Company, accounting for 84% of total energy consumption.

TOTAL ENERGY CONSUMPTION BY TYPE IN 2021



TOTAL ENERGY CONSUMPTION BY BUSINESS IN 2021



ENERGY MANAGEMENT SYSTEM

GRI 103-2

Rusagro's business segments have standards in place to ensure the activities are carried out in line with the energy management system requirements and regularly develop and review energy strategies to set energy management goals.

Measures to reduce energy usage and improve energy efficiency fall under the following focus areas:

- control and monitoring of energy consumption and technological processes, including through automation means;
- replacement of energy-intensive equipment with energy-saving equipment and transition to in-house power generation;
- repair and regular maintenance of equipment to improve energy efficiency.

The use of by-products for heat generation as an element of circular economy concept

Rusagro's oil extraction plants has recycling boilers in place to burn husks, which is a by-product of sunflower oil production, and generate heat in the process. The Balakovo and Bezenchuk sites already enjoy 100% in-house generated heat as a result of husk incineration. 2021 also saw the commissioning of a recycling boiler at the Atarksk site, where the husk heat generation reached 80% by the end of the year. To make it to 100%, the Company scheduled to replace obsolete boiler equipment in 2022.





ENERGY MANAGEMENT AND ENERGY EFFICIENCY

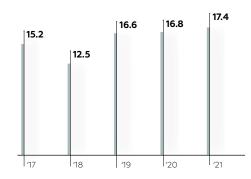
2021 HIGHLIGHTS

GRI 302-1

The total energy consumption increased by 4% in 2021, while the energy intensity indicators went down. For example, energy intensity per product made and per product sold to a third party dropped by 3% and 4% respectively in the reporting year, while energy intensity per consolidated revenue fell by 27%.

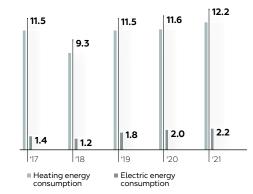
TOTAL ENERGY CONSUMPTION WITHIN THE ORGANISATION1

GJ mn



HEAT AND ELECTRICITY CONSUMPTION

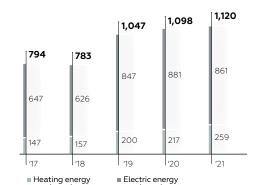
GJ mn



TOTAL ENERGY PURCHASE COSTS

RUB mn

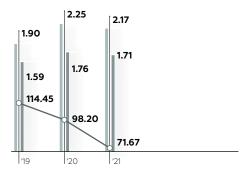
purchased costs



purchased costs

ENERGY INTENSITY

GRI 302-3



- Energy intensity per unit of products sold to a third party,
- Energy intensity per unit of products made,
- Energy intensity per consolidated revenue, GJ / RUB ths
- GRI Standards set out the following formula to total energy consumption calculation: Total energy consumption = Fuel consumption from non-renewable sources + Fuel consumption from renewable sources + Purchased energy for consumption + Electricity, heating, cooling, steam generated but not used - Energy sold to third parties.

Z

Ш

_ __

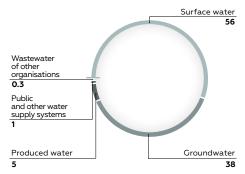
IMPACTS ON WATER RESOURCES

Surface and ground water bodies are mainly exposed during water withdrawals and effluents discharge.

Most of the water is withdrawn from natural sources: surface water bodies (rivers) account for about 56% of the total water withdrawals, while groundwater – about 38%.

TOTAL WATER WITHDRAWALS BY TYPE OF SOURCE IN 2021

%



AN APPROACH TO MANAGING IMPACTS ON WATER RESOURCES

Rusagro works towards smaller exposure of water bodies and make each and every efforts to reduce withdrawals from water bodies and improve the quality of effluents discharged.

Measures to improve resource usage efficiency cover the following focus areas:

- introduction of water recycling systems and reuse of water, including treated effluents;
- automation of water consumption processes to control the withdrawals, consume water exactly as required and identify and repair leaks in a timely manner;
- audit and monitoring of water consumption, detection of water misuse.

Reducing environmental exposure and circular economy implementation

Effluents treated at sugar plants' filtration fields posted an average reduction in biological and chemical oxygen demand in 2021 as the process drains of exhausted molasses were no longer discharged to the filtration fields, and the total volume of exhausted molasses was collected and sold to external customers as fuel for biogas plants. Another resultant environmental benefit was the significant year-on-year reduction of gross greenhouse gas emissions — by 119 ths tonnes.

Effluents discharge into surface water bodies takes place at the facilities of the Oil and Sugar Business. The Sugar Business stopped using two discharge points as a result of the reduced water consumption. Effluents of the Meat and Agriculture Segments are only discharged to public utility services.

Measures to improve effluents quality cover the following focus areas:

- introduction of a system for recording and analysing incoming information on effluent quality;
- quality inspection of artesian groundwater;
- construction of new and update of existing local effluents treatment facilities at production sites.

Managing the risk of non-compliance with effluents quality standards

The Oil and Fats Business put in practice pre-project inspections of industrial and domestic wastewater collection and treatment systems with the purpose to evaluate the actual condition and operating characteristics of the effluents treatment facilities and assess their real performance. The results gained are used to tailor optimal technical solutions for the elimination of the discovered shortcomings.

Z

IMPACTS ON WATER RESOURCES

2021 HIGHLIGHTS

GRI 303-3

SASB FB-AG-140A.1.1

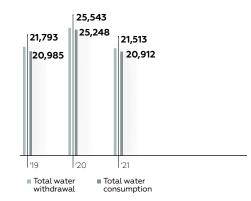
In the reporting year, Rusagro recorded the reduction in its total water withdrawals - to 21,513 ths cubic metres, down 16% year-onyear, as well as in absolute and specific water intensity, which is explained by fewer water withdrawals and smaller water consumption by the Sugar Business due to higher water efficiency.

GRI 303-4

Despite an overall decrease in water consumption, there was a slight increase in discharge in 2021, amounting to 9,736 ths cubic metres, up 6% year-on-year, due to the launch of Primorskaya Soya, a plant of the Oil and Fats Business, which temporary suspended its operations in 2020.

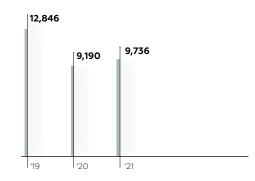
TOTAL WATER WITHDRAWAL AND CONSUMPTION

ths cu.m (GRI 303-3 GRI 303-5



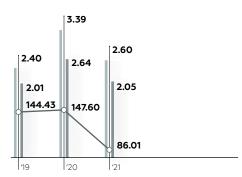
TOTAL WATER DISCHARGE

ths cu.m



The Sugar Business is the most water consuming segment of the Company (47% of the total volume) as it requires a significant amount of water to cool the equipment used in heat/mass transfer processes and to cover the needs of the beet processing and sugar production activities.

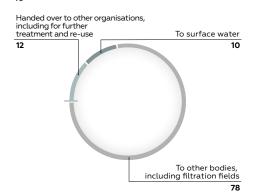
WATER CONSUMPTION INTENSITY



- Water consumption intensity per product made,
- Water consumption intensity per volume of products sold to third parties, cu.m/tonne
- Water consumption intensity per consolidated revenues, ths cu.m/ RUB mn

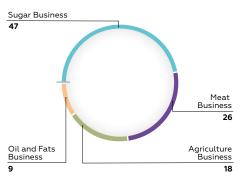
TOTAL WATER DISCHARGE BY TYPE OF RECEIVING BODIES IN 2021

~



TOTAL WATER CONSUMPTION BY BUSINESS IN 2021

%



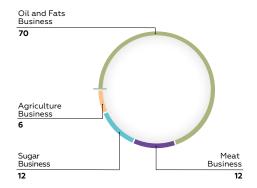
WASTE MANAGEMENT GRI 103-1

Waste management is an important environmental factor for Rusagro. The key issue here is not the type of waste (the bulk of which falls within non-hazardous IV and V classes), but the amount of such waste (which proved to be rather significant due to specific nature of production processes). For example, the Agriculture Business's facilities generate a large volume of husk from sunflower seeds, while the sugar plants produce lime defecate, which is a by-product of beet juice treatment.

Hazardous wastes mainly include mercury lamps, lead batteries and waste oil products and are given to specialised contractors for further disposal.

TOTAL WASTE GENERATION BY BUSINESS IN 2021

%



APPROACH TO WASTE MANAGEMENT

GRI 103-2

The aims of the Company's waste management efforts are to minimise waste generation, align the production activities with waste management regulations, and to be in constant search for alternative uses of waste and reuse of materials and raw materials generated during such activities.

The waste management efforts cover the following focus areas:

- reuse of waste and circular economy principles implementation;
- records of waste generation and movement and enforcement of waste management regulations.

Improving the waste management system

To promote rational use of recyclable materials and waste management, the Oil and Fats Business piloted a project to introduce a unified waste management system at the production sites, with one contractor covering collection, transportation and neutralisation of hazardous waste, and another – dealing with the entire cycle of collection, preparation and disposal of recyclable waste.

The Meat Business screened the recyclables market and identified the most demanded types of waste, as well as purchased new containers for waste separate collection. The Agriculture Business started collecting plastic packaging and waste paper at all its sites and appointed employees responsible for this process.

Salvaging industrial by-products

Rusagro has a widespread practice of recycling by-products, which gains additional benefits and minimises the negative environmental impact. For example, the Company sells lecithin from the oil refining process to the food and pharmaceutical industries. Lime defecate from the beet juice refining process is used as an organo-mineral fertiliser for soil acidification. In 2021, defecate was certified as a fertiliser and excluded from the total waste, resulting in a 14-fold year-on-year decrease in the volume of waste generated by the Sugar Business.

Employing the best available technologies

Rusagro perfects waste management practices by applying the best available technologies. For example, new pig farms in the Tambov Region rolled out a technology of manure separation into solid and liquid fractions, which accelerated the organic fertiliser maturation process and allowed to register it as a certified Fitovit-1, Fitovit-2 and Fitovit-3 fertiliser. Thus, pig manure was excluded from the total amount of waste in 2021, resulting in a 2.5 times year-on-year drop in the volume of waste sent to landfill.

Z

 \supset

 α

℩ \supset

0

 α

 α O ⋖ S \supset

Q

Q

[2]

₽

WASTE MANAGEMENT

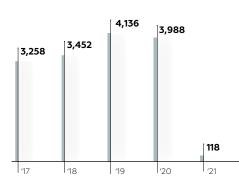
2021 HIGHLIGHTS

GRI 306-3

Due to the certification of manure waste products (hazard class III) and lime defecate (hazard class V) as organic fertilisers and their delistment from the total waste balance, the 2021 year is characterised with a downfall in the total amount of waste generated – from 3,988 ths tonnes to 118 ths tonnes.

TOTAL WASTE GENERATION

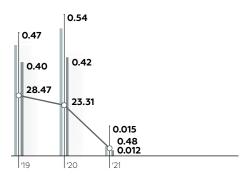
ths tonnes



GRI 306-4 GRI 306-5

As the considerable amount of waste was eliminated from the total volume due to recertification of manure drains and lime defecate, the specific waste generation indicators also decreased accordingly.

WASTE GENERATION INTENSITY



- Waste generation intensity per unit of products made, tonne/tonne
- Waste generation intensity per unit of products sold to a third party, tonne/tonne
- Waste generation intensity per consolidated revenue, ths tonnes/RUB mn

WASTE GENERATION BY WASTE HAZARD CLASS

tonnes

Waste hazard class	2017	2018	2019	2020	2021
1	5	2	5	3	3
II	45	44	21	41	30
III	3,247,242	3,438,709	3,737,641	3,677,367	129
IV	1,908	2,194	19,792	13,822	22,570
V	8,647	10,835	378,625	296,830	95,151

WASTE MANAGEMENT BY WASTE HANDLING METHODS

tonnes

Waste handling methods	2019	2020	2021
Waste diverted from disposa, including:	106,435	37,729	70,295
re-use of waste as intended	29,014	28,463	30,094
• recyclingby third parties ¹	77,421	9,266	40,201
Waste destruction, including:	25,033	22,163	32,591
incineration with energy recovery	0	0	6,717
incineration without energy recovery	7,049	0	2,564
landfilling by third parties	14,390	16,216	17,084
treatment by third parties ²	3,594	5,947	6,227
-			

¹ This type of waste management includes: 1) reprocessing of products/goods or their components that became waste into new materials (as defined by GRI Standards); 2) use of waste, including re-use of waste by putting it back into the production cycle after appropriate preparation, recovery of useful components of waste.

 α

Z

Waste treatment means the reduction of waste weight, change in its composition, physical and chemical properties and/or decontamination at specialised facilities.

Social factors

OF SUSTAINABLE DEVELOPMENT



↑1p.p.



Social factors of sustainable development / HUMAN RESOURCES MANAGEMENT

23

Human resources management

MATERIAL TOPICS

- Employment
- · Occupational health and safety
- Training and education
- · Human rights
- Diversity and equality
- · Digital transformation

GRI METRICS

GRI 102-7 GRI 102-8 GRI 202-2 GRI 401-1 GRI 401-2 GRI 403-6 GRI 404-1 GRI 404-2 GRI 404-3 GRI 402-1 GRI 405-1 GRI 406-1

2021 HIGHLIGHTS

1 0.6 p.p

WOMEN AMONG EMPLOYESS

1 215 1,133

WOMEN AMONG MANAGERS AND HEADS

169

IN-HOUSE COACHES

14 p.p.

MENTORS

LOCALS AMONG SENIOR EXECUTIVES 12 p.p.

INTERNAL HIRES

CONTRIBUTION TO THE UN SDGs









Q

 \square

₽



MANAGEMENT APPROACH

GRI 102-7

GRI 102-8

GRI 405-1

Unique human capital is Rusagro's greatest asset, and its development is one of the Company's four strategic goals. Highly skilled and dedicated teams led by experienced management is a mainstay of the business.

The Company provides decent working conditions, competitive and fair remuneration, and guarantees social benefits, while establishing an environment of motivation and innovation and focusing on staff professional growth. The Company is also committed to offering equal opportunities to bolster personal and professional accomplishment of its employees.

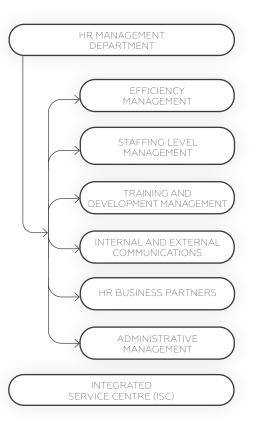
The Company's HR operations are aligned with its annual business plan, policies and local regulations, including:

- Compensation & Benefits Policy;
- · Bonus Plan;
- · Regulations on Performance and Single Benefits Matrix;
- Rusagro's Corporate Communications Policy.

Focus areas of risk management

- Managing job efficiency and performance
- (Improving the employer branding
- Faster and better hiring
- Promoting in-house training systems and talent development
- ⟨ → HR process automation | Process |

HR MANAGEMENT ORGANISATION **STRUCTURE**



₽



STAFF COMPOSITION

Headcount

Rusagro's headcount decreased by 1.7% and totalled 19,030 people in 2021. These staffing cuts mainly fell to the Agriculture, Sugar and Oil and Fats Segments due to their better automation, increased job complexity and outsourcing of low-skilled jobs, while higher performance of the Meat Business drove its headcount up by 6% (430 people) in 2021. As the Dairy Products Business was included in the Oil and Fats Segment in the first quarter of 2021, its quantitative data were merged with the Oil and Fats Business data for all periods.

Rusagro's headcount at the end of 2021 was 20,269 people (+1%, or up 103 people), 84% (17,093 people) of which being permanent employees and over 97% (19,818 people) - fulltime employees. The Company also engages contractors and individuals to carry out specific pieces of work and provide services associated with equipment repair, information technology services, cleaning, etc.

YEAR AVERAGE HEADCOUNT

19,658

5,919

6,036

4,340

3,044

319

1′19

Sugar

Meat

Business

19,344

6,510

5,229

4,191

3,005

409

20

19.030

6,940 (+6%)

4,768 (-10%)

4,009 (-5%)

2,910 (-3%)

403 (-1%)

′21

Agriculture

GRI 102-7 people

15,218

5,300

2.028

4,443

3,149

298

′18

14,038

4,186

1.969

4,478

3, 248

Corporate

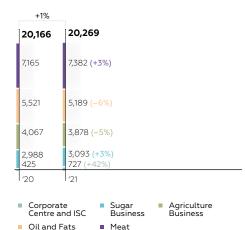
Centre and ISC

Oil and Fats

157



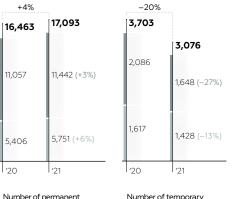
GRI 102-8 people



Business

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TERMS AND GENDER

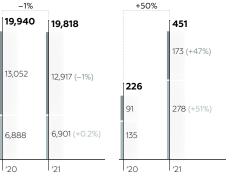
GRI 102-8 people (



Number of permanent Number of temporary employees employees Women Women

TOTAL NUMBER OF EMPLOYEES BY IME-RELATED EMPLOYMENT **AND GENDER**

people GRI 102-8



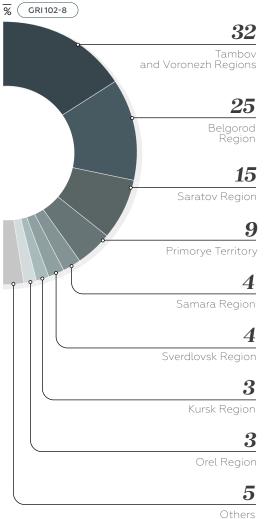
Number of full-time employees Women ■ Men Number of part-time employees Women ■ Men Z

In the 2019-2020 timeframe, Rusagro had its Dairy Products business running; further on in 2021 this segment was incorporated in the Oil and Fats Business, with the data of both segments for all periods consolidated under the Oil and Fats Business.

₽

MANAGEMENT APPROACH

TOTAL NUMBER OF EMPLOYEES BY REGION



Regional staff composition

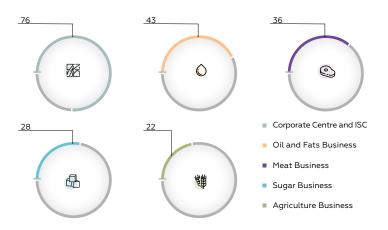
Rusagro's footprint covers mainly eight Russian regions, where 95% of jobs are concentrated. Most of the jobs are in the Tambov and Voronezh Regions (32% or 6,573 people) as well as the Belgorod (25% or 5,107 people) and Saratov (15% or 2.961 people) Regions, Higher headcount in the Saratov and Samara Regions (12% and 42%, or 362 people and 361 people respectively) is explained by the staffing needs of the Oil and Fats Business, particularly after the addition of the Dairy Products Segment. Business development in the Primorye Territory also continued apace in 2021, resulting in new job offers (+26%, up to 1,822 people). However, due to reallocation of production capacity and optimisation of business processes, other regions of Rusagro's presence recorded a 29% reduction in headcount (down 271 people).

Gender staff composition

Rusagro is committed to promoting the socio-cultural diversity of its employees. The proportion of women in the staff composition for the last year increased by 0.6 p.p. to 35% (totalling 7,179 people), while the share of women on the Board of Directors remained unchanged, standing at 20%. The proportion of women varies across Rusagro's segments: the Oil and Fats Business has the highest share of women – 43% (2,216 people), while the Agriculture and Sugar Businesses show the lowest figures – 22% and 28% respectively (849 and 869 people). In the Corporate Centre and Integrated Service Centres, with mainly indoor jobs, women account for 76% (555 people).

SHARE OF WOMEN IN RUSAGRO'S BUSINESSES IN 2021

% GRI 405-1

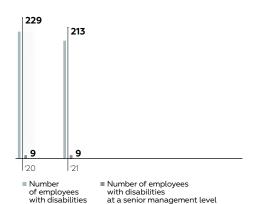


MANAGEMENT APPROACH

The largest and most valuable category of Rusagro staff is blue-collar workers (68% of the Company's workforce), including 27% (3,674) of women in 2021. White-collar specialists are mainly represented by women, accounting for 60% (2,845) of the total number. The proportion of women among functional managers rose by 2 p.p. to 38% (645), while among top managers it dropped by 12 p.p. to 23%.

EMPLOYEES WITH DISABILITIES

people GRI 405-1



PERSONNEL BREAKDOWN BY AGE

people GRI 405-1

	2020	2021	2020	2021	2020	2021	2020	2021
		Under 25		Under 25		36 to 55		36 to 55
Senior management ¹	0	0	21	22	57	40	6	3
Managers and heads	40	41	528	559	981	999	111	108
Specialists	447	423	1,739	1,773	2,119	2,286	231	262
Workers	1,210	1,037	3,384	3,206	7,376	7,462	1,917	2 048
Total	1,697 (8%)²	1,501 (7%)	5,672 (28%)	5,560 (27%)	10,533 (52%)	10,787 (53%)	2,265 (11%)	2,421 (12%)

	2020	2020	2021	2021
	Women	Men	Women	Men
Senior management ¹	29 (35%)	55 (65%)	15 (23%)	50 (77%)
Managers and heads	600 (36%)	1,060 (64%)	645 (38%)	1,062 (62%)
Specialists	2,733 (61%)	1,758 (39%)	2,845 (60%)	1,899 (40%)
Workers	3,661 (26%)	10,270 (74%)	3,674 (27%)	10,079 (73%)
Total	7,023 (35%)	13,143 (65%)	7,179 (35%)	13,090 (65%)

Senior executives include the CEOs of Rusagro and all business segments, as well as all of their direct subordinate management levels (CFO, HR director, legal director, COO).

² The figures in brackets are a percentage of the total headcount.

Q

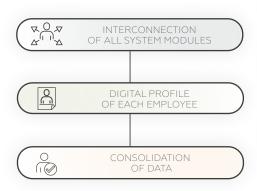
[3

ROS AGRO

DIGITAL TRANSFORMATION

The previous reporting period saw Rusagro finally implementing the SAP SuccessFactors unified cloud-based HR management platform, which became a master system for HR data, helping to centralise and streamline all HR cycle processes.

PRINCIPLES OF SAP SF



OF EMPLOYEES ARE SAP SF USERS **AS AT THE END OF 2021** The Company is determined to develop smart services for employees and improve its data culture. There are several ongoing projects to promote this.

Designing a Single Personal Account (SPA) for employees, which will offer employees such options as a digital personnel file, HR services and a mobile version of the corporate portal. 2022 goals include the accomplishment of the entire target volume of SPA services and digitalisation of 90% of document flow.

- Transfering data from SAP SuccessFactors to the BI system, which will simplify and speed up the process of analysing and visualising HR data.
- Adding predictive analytics tools in the Training module to optimise the procedure and improve the quality of content recommendations.

The SAP SF gains so far include better job performance, improved digital literacy and increased staff engagement. Employees are now able to access more than 40 HR services on a single platform, which facilitated a seamless transition to a hybrid work format and increased the distance learning coverage up to 80%. Now we follow the more unified approach to recruitment, vielding over 15 ths recruitment requests processed in 2021, and introducing a career website made the employer's brand more appealing.



HR's digital transformation project won the People are the Most Valuable Asset category of the annual SAP Value Award 2021.

STAFF SAFETY IN THE COVID-19 **PANDEMIC**

Amid challenging sanitary and epidemiological situation on the back of the COVID-19 pandemic, Rusagro was able to maintain production continuity while making sure to take all the required anti-virus measures. Looking to support employees' health, the Company complies with all Rospotrebnadzor recommendations and implements the following measures:

- informing staff about the spread of COVID-19 coronavirus infection and prevention methods;
- setting up an operational headquarters for quick response and assistance to staff;
- offering employee feedback hotlines;
- providing all production facilities with personal protective equipment, disinfectants, etc;
- conducting employee tests and immunisa-
- telecommuting of office staff.

RECRUITMENT PROCESS

GRI 401-1

Rusagro's success depends on the hard work of more than 20 ths employees. With further growth in mind, the Company focuses is on attracting skilled professionals and building a team of talents in an innovative and inclusive environment.

The Company does not tolerate any form of discrimination in employment and looks into professional skills, experience and qualifications of prospective hires in process of recruitment. The Company promotes transparent employment relations, decent wages and extended social benefits.

During the reporting period, the Company focused its efforts on developing the recruitment system, making it more convenient for potential candidates and HR team members through the introduction of digital recruitment tools, expansion of recruitment channels, and shorter selection and recruitment processes. Chatbot system integrated into SAP Success-Factors allowed for quicker search of production staff.

Further improvement of recruitment efficiency by introducing an Applicant Tracking System (ATS) and implementation of mass digital recruitment options is the Company's 2022 targets.

HIRING

The Company recorded 8,430 new hires in 2021, this high proportion among the total workforce to be considered common due to the seasonal nature of jobs in Rusagro's segments. Among new hires in 2021, the share of women increased by 4 p.p. to 40% (3,349 people), confirming Rusagro's commitment to creating equal career opportunities regardless of gender.

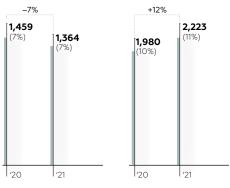
The Company turns its focus on creating a comfortable environment for the successful start-up of newcomers, for example, welcome training sessions to help new employees through the onboarding process and find their way into the Rusagro in less time. The Company favours a holistic approach to onboarding new employees using automation tools and artificial intelligence. In particular, the Trigger Letters project was launched in 2021 – a system for automatic notification of new employees via SAP Success Factors about the different processes in the Company, which runs during the first three months of employment to improve the onboarding.



Rusagro's career page on VKontakte

TOTAL NUMBER OF HIRED EMPLOYEES (SHARE OF NEW HIRES FROM THE TOTAL HEADCOUNT) BY AGE1

GRI 401-1 people

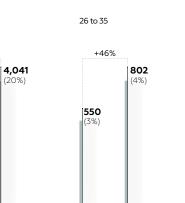


Under 25

+27%

3.184

20

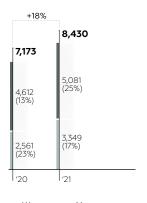


20

36 to 55 Over 56

TOTAL NUMBER OF HIRED EMPLOYEES (SHARE OF NEW HIRES FROM THE TOTAL HEADCOUNT) BY GENDER¹

GRI 401-1 people



Women ■ Men

Q [3



The number of newcomers does not include the number of internal candidates – current employees who have been promoted or transferred to new positions.



TURNOVER

Staff turnover at Rusagro's entities in 2021 was 39% (+4 p.p.), which is not uncommon among agribusiness companies, given the seasonal nature of staff employment. Employer-driven turnover in the strategic segment1 remained unchanged, with voluntary turnover down 4 p.p. to 19% due to the positive results of consistently addressing this factor, improving working conditions and enhancing career development opportunities.

STAFF TURNOVER

GRI 401-1

	2020	2021
Turnover	35	39
Forced turnover in the strategic segment	9	9
Voluntary turnover in the strategic segment ¹	23	19

STAFF TURNOVER BY GENDER

GRI 401-1

	2020	2020	2021	2021
	Women	Men	Women	Men
Turnover	39	34	41	38
Forced turnover in the strategic segment	9	9	8	9
Voluntary turnover in the strategic segment ¹	28	23	22	21

STAFF TURNOVER BY AGE

GRI 401-1

	2020	2021	2020	2021	2020	2021	2020	2021
		Under 25		26 to 35		36 to 55		Over 56
Turnover	59	68	32	37	32	35	44	40
Forced turnover in the strategic segment	5	10	7	8	9	9	17	11
Voluntary turnover in the strategic segment ¹	31	27	29	24	22	19	14	16

Z

The strategic segment comprises employees in positions that have a direct impact on the Company's performance.



RECRUITMENT PROCESS

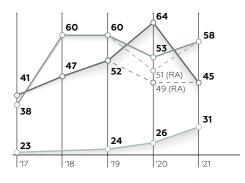
EMPLOYER BRAND

The current competition for talents necessitates better branding of Rusagro as an employer for further sustainable development. The reporting period saw measures taken to improve Rusagro's brand in the labour market and increase employee engagement and satisfaction, as well as projects to make working at the Company more attractive for both job seekers and employees, including improved working conditions, a better training and professional development system and special conditions for young people. In 2021, Rusagro designed an employer HR brand course for internal recruiters and also held a two-day press tour for brand ambassadors to Rusagro's industrial sites in the Belaorod Region.

The net promoter score (NPS) among Rusagro employees rose by 4 p.p. compared to 2020, reaching 31%, which positively affects the Company's brand as an employer. Rusagro employer's brand awareness score grew to 58% in 2021.

RUSAGRO'S EMPLOYER BRAND APPEAL¹





- Net Promoter Score (NPS) among employees
- Rusagro's brand awareness as an employer
- Rusagro's brand appeal as an employer

AT THE END OF 2021, RUSAGRO TOPPED NATIONAL RANKINGS OF ATTRACTIVE EMPLOYERS



Rusagro ranked among Russia's top 50 employers

In 2021, the Company retained 31st place among the largest companies in HeadHunter's annual Russian Employer Ranking 2021. Rusagro took 1st place in the agriculture and food production category, ahead of 18 competitors.



Rusagro's Winning in the Best Employer category of the Star of the Far East Award

In December 2021, during the Days of the Far East, the Company won the special public and business award – the Star of the Far East in the Best Employer category. The jury evaluated the participants against several criteria: the company's contribution to human capital development, the implementation of educational programmes in cooperation with regional educational institutions, the implementation of measures to attract employees from other regions, and the launch of social responsibility programmes.



Rusagro's employer brand was highly praised by professional job seekers

Together with HeadHunter, a study was conducted on the attractiveness and brand awareness of agribusiness employers among an audience of 'professionals', covering more than 600 people. Rusagro's recognition ratio among professionals in 2021 stood at 37% (third highest among competitors). The Company's attractiveness ratio among interviewees in 2021 reached 33% (second most attractive among competitors). The indicator reflecting the willingness of potential candidates to respond to vacancies also scored well, with Rusagro taking second place among peers.





RECRUITING YOUTH

The rapid pace of urbanisation and the preconceived biases of young people towards agriculture make attracting young talent a major challenge for Rusagro. The HR team endeavours to be creative and use modern tools in its targeted outreach to young people, which enabled Rusagro to expand its social media audience by 23% to 21 ths followers in 2021.

Apprenticeship

For several years, the Company has been successfully implementing Rusagro Without Borders apprenticeship project and dual training programmes with regional educational institutions, where young people can gain hands-on experience and knowledge from leading experts. The Company encourages students and graduates of specialised secondary and higher education institutions in technical, agricultural and chemical fields to participate in these initiatives. Experienced Rusagro's mentors accompany programme participants and help them pick up new practical skills. The 2021 apprenticeship project involved 85 educational institutions, with a total of 473 apprentices (vs. 380 in 2020). For some of them the programme was a fast start to a successful career in the country's largest agricultural holding. If needed, trainee students and apprentices received places in dormitories.

Watch Rusagro's apprenticeship video on YouTube

Career Days

The Career Day during the reporting period was presented as an online blockbuster for 500 students and graduates. Participants from all over Russia had the opportunity to meet business representatives and immerse themselves in the action atmosphere of the agro-holding, while the most active ones got access to a Fast Track to an Apprenticeship, career advice from HR representatives and corporate merchandise. The event revealed jobseekers' interest in the Company and resulted in 440 CVs received.

Apprenticeship video clips

Rusagro makes original apprenticeship video clips highlighting the benefits and digital transformation of the agriholding in an attempt to attract young talents and break down the stereotypes they hold about agriculture business. This format meets the needs of millennials and Generation Z - career progress, a strong corporate culture and development of innovations and had a wide reach, encompassing over 10 ths viewers in cinemas in Belgorod, Tambov and Ussuriysk.

INTERACTION WITH EDUCATION INSTITUTIONS

Top-11 Higher education institutions

- · Belgorod State Agricultural University n.a. V. Gorin
- Tambov State Technical University
- · Tambov G. Derzhavin State University
- Voronezh State University of Engineering Technologies
- Yu. Gagarin Saratov State University
- Michurin State Agrarian University
- · Belgorod State Technological University n.a. V. Shukhov
- Kursk State Agricultural Academy n.a. I. Ivanov
- Saratov State Agrarian University n.a. N. Vavilov
- · Russian New University, Tambov branch
- Orel State Agrarian University n.a. N. Parakhin

Top-5 Vocational secondary educational institutions

- Zherdevsky College of Sugar Industry
- · Kotovsky Industrial Technical School
- Klykov Soviet Socio-Agricultural College
- · Gubkinsky Mining and Polytechnic College
- Valuyskiy Industrial Technical School

Developing educational programmes in the regions

Under the sponsorship of Rusagro, a new demanded specialty – Introducing automation equipment into technical processes and production – was opened in September 2021 at Zherdevsky College of Sugar Industry. Grown professionals, including employees from Rusagro's Sugar Segment, are involved in the training of the first group of 25 students enrolled. Instructors from the college received an internship at the Zherdevsky sugar plant at yearly 2022.

2021 saw another significant project related to the introduction of a new discipline called lean production at Kursk State Agricultural Academy named after I. Ivanov, with support from the Sugar Business. Students of the academy participated in a tour around the Krivetsky sugar plant.

33

RETENTION AND MOTIVATION

GRI 401-2 GRI 403-6 GRI 404-3

REMUNERATION AND INCENTIVE SYSTEM

Rusagro works towards unlocking the personal and professional potential of each employee, while continuously reviewing and improving employee incentive system.

The Company maintains a transparent and comprehensible pay and compensation system: each employee's personal SAP SuccessFactors page shows the income structure and benefits package. Rusagro guarantees employees a competitive salary. The regulations on annual bonus payments designed for each of the Company's segments set out the main elements and procedures for bonuses.

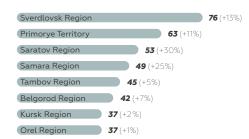
The average monthly wage in 2021 was RUB 52 ths (+6%). Growth of the figure in each business segment is determined by annual increases based on employee contribution and personnel skill level. Differences in average salaries across Rusagro's segments depend on the location of plants in different regions, the difficulty of finding qualified personnel in the labour market, as well as different working conditions and the characteristic aspects of each business.

Job-related hotline

The Company has a hotline with the accounting department for payroll, sick pay, holiday pay, etc. A special compensation and social benefits hotline is planned to be launched to increase transparency in this area.

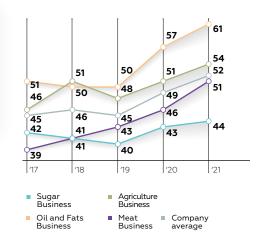
AVERAGE MONTHLY WAGES AT RUSAGRO'S PRODUCTION AND OPERATING SIGHTS IN 2021

RUB ths



AVERAGE MONTHLY WAGES AT RUSAGRO'S PRODUCTION AND OPERATING COMPANIES IN 2021

RUB ths



The Company has both tangible and intangible incentives in place, offering the employees an extensive social benefits package, including:

- voluntary medical insurance (VMI) for all past-probationary employees; possibility of VMI insurance for relatives on favourable terms;
- meal remuneration and provision of homeraised products;
- · commuting services, quality overalls;
- health resort treatment and reimbursement of medicinal drugs.

The Company provides equal benefits to all employees, with the exception of VMI, which is not available to employees working under temporary employment terms (up to three months).

Young professionals may qualify for home-buying assistance from the Company.

Rusagro implements the With Care for Everyone programme to promote a culture of health and well-being for employees and their families.

PERFORMANCE AND COMPETENCE ASSESSMENT

The Company introduced a system of key performance indicators (KPIs) to assess staff productivity. The SAP SuccessFactors platform displays all the data needed to easily monitor the achievement of KPIs by employees.

The Company also developed an annual multirater for each staff members to analyse the fulfilment of KPIs and compliance with the job expectations, and to review the potential of the employee. Following the results, employees receive individual development plans, with identified growth areas and necessary training. The percentage of employees who underwent formal performance appraisal increased by 6 p.p. to 72% in 2021.

During the reporting period, a Workforce Management system was piloted to manage production personnel efficiency, with the rollout scheduled for 2022.



For more information on the With Care for Everyone programme, see the Occupational Health and Safety section

 \supset



INTERNAL COMMUNICATIONS

Rusagro is continually improving its communication channels to make them as convenient and effective as possible. The 2021 level of awareness reached a record high in all business areas, with an overall Company-wide figure of 79%. Rusagro's Vestnik, email newsletters and a corporate portal with anonymous messaging capabilities, remained popular with the Company's employees. Other popular additions of 2021 were information days (a total of 233 days were held) and information boards.

In 2021, corporate TV coverage, in addition to the Meat Business, included the Sugar, Oil and Fats business segments. The Company plans to launch a mobile version of the corporate portal in 2022 for convenience and quick access.

The tradition also continued to have live call-ins with the CEO: two such events were held in 2021, featuring all general directors of business segments and attended by more than 5,000 employees. The issues raised included vaccination, review of salaries and allocation of employee benefits.

THE FOLLOWING ACTIVITIES WERE CARRIED OUT IN 2021

RUSAGRO'S WEEK OF VALUES

This annual event gathered more than 5,000 employees in 2021. They sent each other cards with one of the values they display most in their work. There was also a prize competition in which you had to guess the values described in the videos of the employees' children.

According to the corporate culture support survey, 83% of employees share the Company's values and apply them in their work - up 0.1 p.p. year-on-year. The number of employees defining the Company's atmosphere as attractive increased by 12 p.p. to 80%. The number of those who consider Rusagro's mission a worthy goal to work for rose by 3 p.p. to 82%.

FAIR GAMES SPORTS FESTIVAL

The annual Fair Games sports and family values festival was held in a semi-digital format for the first time and reached over 10 ths employees, marking a new record for the event. The festival included 65 live broadcasts, 40 master classes and 6 online competitions in three areas: "SuperSport", "SuperCreativity" and "SuperSmart". More than 1,200 employees took part in football and volleyball championships, tug-of-war competitions and races. In order to get as many of the Company's employees as possible to pass the GTO norms, a huge branded Fair Games track travelled to 20 production sites and attracted a total of 900 Rusagro's employees.



M ROS AGRO





ι

RETENTION AND MOTIVATION

EMPLOYEE ENGAGEMENT AND SATISFACTION

During the reporting period, the employee engagement survey was conducted twice – the main survey was conducted in June, with 85% of employees (17,186 people) participating, and a pulse survey was launched in December.

In 2021, Rusagro's overall employee satisfaction grew by 6 p.p. year-on-year, reaching a total of 81%.

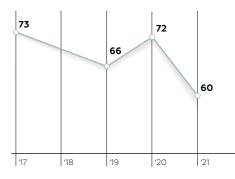
Staff anxiety about the COVID-19 pandemic and its aftermath still persisted in 2021. Rusagro's employees also faced new constraints and requirements to protect their health and well-being in the post-pandemic period. All of these factors had a negative impact on employee engagement, with the main survey results showing a 12-p.p. year-on-year decrease in engagement, down to 60%.

To address this issue, we drafted an appropriate engagement improvement plan, covering the following areas:

- balance: reducing stress levels in the workplace, achieving work/life balance, promoting a culture of physical and psycho-emotional well-being;
- career: expanding opportunities for growth and development;
- working conditions and remuneration: transparency of pay and benefits.

RUSAGRO'S ENGAGEMENT RATE

%



TRAINING AND CAREER DEVELOPMENT

(GRI 404-1)(

GRI 404-2

The Company has a unique training and development system in place that organises information, accumulated knowledge and experience to meet production and management challenges.

The professional growth and development of employees is promoted through a comfortable learning environment. The Company aims to develop a micro-learning format: presenting information in a compact format, reducing the time required to assimilate the material and applying the knowledge in practice immediately to overcome challenges successfully.

MAIN BLOCKS OF TRAINING AND DEVELOPMENT SYSTEM









Z

⊎

Ø

7

MENTORS AND IN-HOUSE COACHES

The reporting period was a changeful year for the mentoring institution – the scope of mentee training was expanded and the motivation system for mentors was improved; the number of mentors reached 1,133 people in 2021 (vs. 918 in 2020). Mentors are given training and insignia, and invited to the annual conference. The Company also compiles a ranking of mentors, and the top-rated ones are rewarded with gifts.

A total of 69 employees joined the in-house coaching institute in 2021. The in-house team has 585 members. During the reporting period saw more than 10 ths employees trained and 387 new programmes developed.

Leaders of the annual ranking of internal instructors receive material awards and the right to undergo external training. The ranking is based on the feedback from the participants and the evaluation of the expert committee based on three criteria: preparation of the training material and its presentation, comprehensibility of the information, use of techniques and methods of group dynamics.

In 2021, employees who ranked among Rusagro's top 60 in-house coaches took part in the Coaches League conference, which was hosted at the Rosa Khutor ski resort. In addition to material awards, master-classes on the digital learning, public speaking and test development were offered for conference participants.

DISTANCE AND EXTERNAL TRAINING

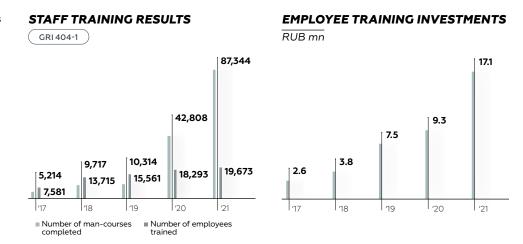
Further development of the SAP SuccessFactors platform strengthened the distance learning system: in 2021, the number of Distance Learning System (DL) courses more than doubled and reached 966, staff coverage increased to 80%, and the number of mancourses completed rose to 87,344 (vs. 42,808 in 2020). The number of employees trained in 2021 reached 19,673, +8% year-on-year. There was an increase both in the number of people completing compulsory training (from 6,713 to 7,126) and elective training (from 13,696 to 14,848). The average annual training time per employee on the Company's payroll reached 18 hours – 2 hours more than in 2020.

The Company also arranges for external training: having employees passing in courses and attending professional conferences, inviting external speakers and coaches.

Rusagro's training and development system is centred around the competence level of its employees. Overall competence level rose by 10 p.p. in 2021 and stood at 67%.

INVESTMENTS

With the introduction of the new Coaching Institute project (for more details see the Succession Planning and Talent Pool section) and the evolution of a distance learning system, investments in employee training in 2021 recorded a significant rise and amounted to RUB 17.1 mn, almost twice as large as in 2020.



STAFF TRAINING AND DEVELOPMENT INDICATORS

hours (GRI 404-1

	2019	2020	2021
Average annual training per employee	15	16	18
By positions:			
Senior management	34	36	32
Managers and heads	16	22	22
Specialists	17	16	21
• Workers	14	16	17
By age groups:			
• Under 25	11	13	13
• 26 to 35	12	13	15
• 36 to 55	12	12	15
• Over 56	36	40	42
· · · · · · · · · · · · · · · · · · ·			

₽

HUMAN RIGHTS

GRI 202-2

GRI 402-1

GRI 406-1

SUCCESSION PLANNING

To maintain a culture of commitment and ensure sustainable management, the Company takes a proactive approach to succession planning and leadership development. A modular management skill building programme was developed for successors, covering three areas - management, human resources management and effective communication.

The reporting period saw launching a project to establish a coaching institute aimed at training internal coaches and engaging external coaches to work with top management. Training executives in coaching tools increases awareness and strengthens leadership competences.

Being a key succession tool, the talent pool is filled up on the basis of comprehensive staff appraisals and included 2,498 people in 2021. Unlocking employees' potential is helped through by an individual development plan drafted for the whole training time. The Company also provides financial support for talent pool members and covers 50% of their university tuition fees.

In 2021, the share of internal recruitment increased from 61% to 63% and the successor coverage rose by 7 p.p. to 94%.

Rusagro is aware of its responsibilities as to human rights and is committed to respecting human rights throughout the supply chain. The Company does not use forced or child labour and strictly complies with the laws of the Russian Federation and other countries where it operates, as well as with international human rights and labour standards as set out in the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the declarations and conventions of the International Labour Organisation.

The Company provides a safe working environment, training and development opportunities, and guarantees recognition and fair remuneration.

Rusagro obeys the requirements of the Russian Labour Code regarding the minimum notice period in relation to significant changes in the Company's activities, namely no later than two months prior to the commencement of the relevant activities.

INCLUSIVITY

Rusagro does not tolerate any form of discrimination, recognises the benefits of diversity and fosters a corporate culture of equal opportunity. The Company realises that equality leads to growth and perfects an environment where employees can their true self, freely express their opinions and innovate. The Company strengthens the leadership competencies of local community representatives. In 2021, the share of local residents among top managers increased from 44% to 48% (+4 p.p.).

There were no cases of discrimination recorded in the reporting year on the grounds of race, gender, religion, politics, social origin or others.

SHARE OF VACANCIES FILLED IN BY EXISTING EMPLOYEES, BY RUSAGRO'S SEGMENT

Business	2020	2021
Meat	73	72
Oil and Fats	55	60
Agriculture	66	69
Sugar	70	85
Corporate Centre and Integrated Service Centre	26	24
Company average	61	63

PLANS FOR 2022 AND A MID-TERM HORIZON

HR management areas scheduled for investments in 2022:

- Improving and automating HR processes;
- · Developing an employer brand that is attractive to talented jobseekers;
- · Working on the employee attraction and retention system and developing an incentive and remuneration scheme;
- Creating a flexible and inspiring environment for employees to fulfil their potential, grow and develop;
- Extending staff caring projects to support physical and emotional health and reduce anxiety in the team caused by uncertainty in times of crisis.



Social factors of sustainable development / OCCUPATIONAL HEALTH AND SAFETY

38

Occupational health and safety

MATERIAL TOPICS

- · Occupational health and safety
- · Learning and education
- · Digital transformation

GRI, SASB METRICS

GRI 403-1 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10 SASB FB-AG-320A.1 SASB FB-MP-320A.1 SASB FB-MP-320A.2

2021 HIGHLIGHTS

OHS **COMMITTEES**

introduced in the Oil and Fats Business

WITH CARE FOR EVERYONE

programme rolled out to all key Company assets employees

UNDER THE SUPERVISION OF THE OCCUPATIONAL **THERAPIST**

STANDARD

of Working with Hazardous Substances developed in the Sugar Business

ONLINE **PROGRAMME**

of occupational health training developed in the Meat Business

LTIFR

J 46%

CONTRIBUTION TO THE UN SDGs



\square

MANAGEMENT APPROACH

GRI 403-1

GRI 403-8

Improving safety culture and creating a healthy and safe working environment is one of Rusagro's priorities.

With occupational health and safety management system in place, the Company is able to prevent fatalities, reduce injury rates and maintain the health and well-being of employees. The system complies with all legal requirements and covers employees at all Rusagro's production facilities.

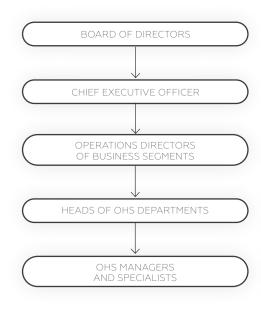
Rusagro closely monitors compliance with adopted standards, conducts regular internal audits, organises continuous training for staff and implements many internal health and safety programmes. Each business segment has its own occupational health and safety (OHS) policy, as well as regulations and standards that are constantly monitored for compliance. Below is the list of key internal documents:

- · Regulations on the Corporate Occupational Safety Management System;
- Regulations on Contractors;
- Regulations on In-process Control at Hazardous Production Facilities;
- Bonus Plan:
- Risk Assessment Standard:
- Standard for Investigation of Accidents.

Rusagro management is actively involved in OHS management processes, while building its health and safety management system in such a way to maintain a downward trend in injury and fatality rates, suport physical and emotional health of employees and promote a safety culture. General directors of business segments arrange for multi-stage monitoring of working conditions and compliance with safe working practices, participate in comprehensive and targeted inspections, and join in occupational safety committees and commissions.

The Company has a tiered chain of command for health and safety issues. Each business segment has its own OHS service, comprising segment directors and safety specialists.

HEALTH AND SAFETY ORGANIZATION STRUCTURE



RISK ASSESSMENT AND INJURY PREVENTION

GRI 403-1

GRI 403-4

Rusagro follows a risk-based approach in OHS management and conducts regular procedures for identifying and assessing the risks of accidents and injuries to employees as required by laws and internal documents. Risks review is carried out immediately after the incident occurred, if any.

Rusagro adheres to internationally recognised standards and guidelines and constantly improves its risk control and management system.

OHS risk internal control and management measures existing in the Company include:

- · checking employees' OHS knowledge and competence;
- further OHS training for employees;

- · setting up OHS committees;
- introducing KPIs for managers that are linked to injury rates;
- enabling managers to cancel bonus for employees who fail to comply with health and safety requirements.

The Company understands that injury prevention is a mandatory process towards safer working conditions. The Oil and Fats segment and Agriculture segment routinely run identification and reassessment of new risks once a year, the Meat Segment – once every three years and the Sugar Segment – once every five years. Risks review is carried out immediately after the incident occurred, if any.

Establishing health and safety committees in the Oil and Fats Business

Last year, the Oil and Fats Business set up health and safety committees chaired by the segment's top managers: the Production Site Committee and the Central Committee, the former consisting of the director, chief engineer, OHS specialists, shift supervisors, department heads and OHS authorised agents, and the latter – of segment's operations director and site directors. Production site committees convene every month, while central committees – every quarter. All key members of the committees completed the curriculum of external training programmes.

Z

Ш

 \supset

 α

℩

 \supset

0

 α

0

 α

O

S

 \supset

ROS AGRO PLC

MANAGING MAJOR OCCUPATIONAL INJURY RISKS BY BUSINESS

Key risks		Risk manageme	nt activities
0	Risk of injury due to fire	(Placement control of combustible materials
		0	Condition monitoring and timely maintenance of electrical equipment
0	Risk of injury due to exposure to moving machinery	0	Maintenance of safety guards and covers
	Risk of electrical injuries	© ##	Condition monitoring and timely maintenance of electrical equipment, earthing
	Risk of injury from falls	4	Installation of warning signs, fences
0	Risk of injury as a result of falling on a horizontal surface	OO 编	Condition monitoring and timely maintenance of guardrails and stairwells, marking, upkeep of lighting
0	Risk of injury from contact with animals	0	Purchase of upgraded personal protective equipment
000	Risk of injury when handling tools/equipment	◎⊕뻏	Training of employees in safe working practices
			Purchase of upgraded personal protective equipment and intrinsically safe tools
0	Risk of injury when moving around the area	0	Marking, sign-boarding and posting of area traffic patterns
4	Risk of injury as a result of spontaneous inflammation of dry pulp	4	Emergency response training of employees
4	Risk of injury as a result of ignition of flammable dusty industrial premises	4	Installation of emergency stop devices and alarms
4	Risk of injury as a result of exposure to moving traffic	4	Training of employees in safe working practices

 \supset

 \supset

0

 \propto

0

USAG



OCCUPATIONAL HEALTH AND SAFETY

INJURY RATE

Rusagro takes regular measures to manage risks of work-related injuries, strengthen in-process control, and introduce new tools to investigate accidents and assess related risks, as well as give safety training in management and involvement of line personnel.

In 2021, the Company reduced the number of accidents and, hence, slashed out injury rates.

Unfortunately, the Company had to record one fatality in the Agriculture Segment caused by a fall from a height and subsequent electric shock. The Company conducted relevant investigations as statutory required and took all measures to prevent new accidents, including briefings and explanatory talks with corporate employees.

WORK-RELATED INJURY FREQUENCY AMONG EMPLOYEES

GRI 403-9	SASB FB-AG-320A.1	SASB FB-MP-320A.1

	2019	2020	2021	Δ 2020/2021,%
LTIFR	2.04	2.86	1.97	-46
LTIR	0.41	0.57	0.39	-46
TRIR	0.95	0.95	0.73	-31
Number of fatalities	2	5	1	-400
Rate of fatalities (per 1 mn working hours)	0.09	0.20	0.04	-408
Rate of fatalities (per 200 ths working hours)	0.02	0.04	0.01	-408
Rate of high-consequence injuries (per 1 mn working hours)	0.13	0.20	0.04	-408
Rate of high-consequence injuries (per 200 ths working hours)	0.03	0.04	0.01	-408

SAFETY CULTURE

GRI 403-4

GRI 403-5

With keeping the safety culture promotion as a priority, Rusagro carries out mandatory staff safety training and introduces various employee engagement and awareness mechanisms.

With corporate occupational health and safety training and online courses given by internal and external specialists, employees gain the knowledge and skills necessary for safe performance of their professional tasks.

The Company wants its managers to be immersed in all the processes of OHS training and knowledge assessment of employees, therefore there is a practice of "behavioral safety audit", meaning that the manager not only checks that the employee has protective clothing and personal protective equipment, but also evaluates his/her understanding of his/her safety-related responsibilities before and during the work.

To promote safety culture to production sites, Rusagro has its employees contributed to the occupational health and safety management by reporting hazardous production situations, undergoing surveys and participating in audits and safety commissions. Every employee can report health and safety hazards, if any, either personally to his or her supervisor or via available means of communication. Beyond that, employees have a chance to point out a potentially dangerous area of the workplace when a special assessment of working conditions takes place.

OHS online training courses

In 2021, the Meat Segment developed interactive online courses in the SAP system with knowledge testing to close the knowledge gaps in occupational safety for employees and managers. The training programme is companyspecific and covers the following topics: "Occupational Health and Safety", "Regulations on Organising and Conducting Work at Height", "Hazard Identification and Risk Assessment", "Hazard Communication" and many more. Managers who failed training and testing are suspended without pay

Q

EMERGENCY PREPAREDNESS

Emergency response and management is a key ingredient of the occupational health and safety management system. Rusagro understands how

important it is to be prepared for and able to respond to crisis situations,

and therefor pursues an emergency risk management and prevention

approach and has emergency response provisions prepared, including procedures for setting up command centres, an emergency prevention

commission and a business resilience commission. All emergency action plans are coordinated with the regional EMERCOM authorities and are

Regular practical drills are conducted to train staff in effective and quick

response to emergencies. Moreover, the employees are trained in correct

operation of a hazardous industrial facility, staff evacuation and response

AND RESPONSE

subject to regular reviews.

to off-normal situations

Q [3



EMPLOYEE HEALTH

GRI 403-3

GRI 403-6

GRI 403-7

GRI 403-10

SASB FB-MP-320A.2

WITH CARE FOR EVERYONE

With an eye towards the psycho-emotional and physical health of employees, the Company introduced a flagship programme – With Care for Everyone, oriented to developing a culture of safety and maintaining staff well-being in all business segments through regular training events, access to free medical and psychological assistance, continuous improvement of working conditions and much more. Last year, the programme was piloted at enterprises in the Tambov and Saratov Regions, and in 2021 it was rolled out to other key assets of the Company.

KEY PRIORITIES OF THE WITH CARE FOR EVERYONE PROGRAMME

IMPROVING THE QUALITY OF HEALTH SERVICES



Creating an environment for early diagnosis Maintaining and promoting the physical health of staff Dispensary diagnosis

FILLING UP THE DIGITAL BASE



Developing of a unified employee health database Equipping medical rooms with automated complexes

RAISING THELEVEL OF KNOWLEDGE



Developing conscious attitude of one's health and finances Developing family and adolescent psychology

CREATING A COMFORTABLE WORKING ENVIRONMENT



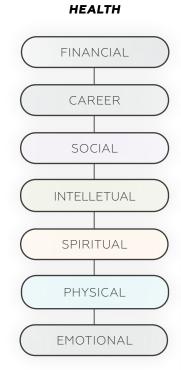
Improving working conditions Career counselling

Q

 \square

The Company monitors the well-being of its employees by introducing and developing initiatives to maintain not only physical, but also emotional, financial, intellectual and other types of human health. Rusagro applies the following classifications of employee health types.

As for the physical health of employees, the Company organises regular medical check-ups and specialised diagnostics, offering them voluntary medical insurance (VMI), health resort treatment and high-quality medical care. Employees can also access telemedicine services and seek medical help from special first aid rooms located directly at the facilities.



RESULTS OF THE WITH CARE FOR EVERYONE PROGRAMME FOR 2021

- 22 in-house first aid rooms were opened
- 4,751 employees are under the occupational therapist supervision
- 1,548 employees received electronic health records with typing and a preventive care plan
- **496** employees are in the outpatient supervision group

Rusagro strongly supports healthy lifestyles and encourages professionals to join in a variety of corporate activities aimed at maintaining their health and wellbeing, which include:

- · Health days with medical consultations from specialists;
- Themed marathons (Stop Smoking, Maintain a Healthy Body Mass Index, etc.)
- Online webinars on emotional, spiritual and physical health;
- Vitamin days.

The Company provides compulsory training to employees and issue personal protective equipment to prevent occupational illnesses related to working with chemicals. Unfortunately, the Company recorded one case of work-related ill health in 2021 – in the Meat Business, where an employee was poisoned by hydrogen sulphide vapour. Post-incident measures included drawing up a bath drainage instruction and making it available to all staff, preparing bath drainage and washing scheduled plans purchasing additional hand-held gas analysers.

Opening of medical first aid rooms in the Oil and Fats Segment

In 2021, several production sites in the Oil and Fats Segment in Atkarsk, Balakovo and Koshki – opened first aid rooms and introduced a staff health management information platform under the With Care for Everyone programme, thus enabling the Company's specialists to seek medical advice from a general practitioner at any convenient time.

Another information and prevention activities included teleconsultations, daily ECG monitoring and screening for inflammatory diseases and cancer.

PLANS FOR 2022 AND A MID-TERM HORIZON

In 2022, the Company will continue working within its strategy to improve safety in all business segments and implement a number of OHS initiatives, such as adoption of international, engagement of a contractor to conduct an external OHS audit, expansion of the occupational disease prevention programme and implementation of initiatives to improve health and safety performance.

Support of local communities

44

MATERIAL TOPICS

· Support of local communities

GRI METRICS

GRI 102-43

GRI 203-1

GRI 203-2

GRI 413-1

2021 HIGHLIGHTS

38.8

RUB mn

ALLOCATED TO SUPPORT EDUCATION IN THE REGIONS OF PRESENCE 6,530 schoolchildren

PARTICIPATED IN THE SPROUTS OF THE FUTURE PROGRAMME

3,000

TOOK PART IN A FAMILY EVENT ORGANISED BY THE MEAT BUSINESS IN THE PRIMORYE TERRITORY

SOCIAL PROJECTS COMPETITION

was held for Rusagro's employees in partnership with the Tambov Region Volunteerism Development Resource Centre

CONTRIBUTION TO THE UN SDGs





Q

 \square

[3

MANAGEMENT APPROACH GRI 413-1

As a socially responsible Company, Rusagro makes a tangible contribution to the development of the regions where it operates and to supporting local communities.

In 2015, Rusagro's Board of Directors adopted a Charity Programme, covering many ongoing social projects and mainly focusing on better education and support for local educational institutions.

Local community development and support programmes are implemented in all of the Company's business segments.

SOCIAL INVESTMENT AND CHARITABLE PROJECTS (

EDUCATIONAL PROGRAMMES

Rusagro follows the principles of strategic investment and heavily contributes to the advancement of education in the regions where it operates. The Company's investments in long-term charitable programmes in 2021 totalled RUB 38.8 mn and were absorbed to implement education quality improvement programmes in the following regions: Belgorod, Tambov, Saratov, Samara, Kursk, Orel Regions and the Primorye Territory.

Rusagro gives the charitable grants to schools to set up laboratories and purchase equipment for tests and experiments related to the Company's profile. Part of the funding is used to train teachers how to work and teach using the new equipment.

Sprouts of the Future

Sprouts of the Future is a Rusagro's education initiative that has been ongoing since 2018 as part of the Charity Programme and aimed at early career guidance for students in rural schools and identification of young talents.

The Programme includes interactive activities that give students of 7 and 8 grades the opportunity to learn about agricultural careers using state-of-the-art techniques, by going on quests, solving logic problems and doing projects in biology, chemistry and technology together with instructors from Russian universities.

KEY EDUCATION-RELATED SOCIAL AND CHARITABLE PROJECTS IN 2021

Project mission SUPPORT FOR SECONDARY SPECIALISED EDUCATIONAL INSTITUTIONS (SSEI)	Scope 7 SSEIs	Focus area Social development in the regions where the Group operates Employer brand promotion	Volume of investm 8.7 RUB mn
Project mission SUPPORT FOR SCHOOLS	Scope 65 schools	Focus area Social development in the regions where the Group operates	Volume of investn 17.6 RUB mn
Project mission SPROUTS OF THE FUTURE PROGRAMME	Scope 118 rural schools 353 classes	Focus area Social development in the regions where the Group operates Employer brand promotion	Volume of investn 10.4 RUB mn

46

Q





ROS AGRO

CULTURAL EVENTS

Another equally important block in the development of local communities is the maintenance of their cultural identity. Rusagro tries to actively participate in the social life of local residents and holds various cultural events for them.

In the reporting period, the Group supported two major city events: All-Russian Olympic Day and Tambov City Day.

Among other things, the Company hosted family celebrations for Rusagro's employees and regional residents in 2021.

The Oil and Fats Segment launched New Year's playgrounds for children in the Urals

In 2021, one of the Oil and Fats Segment's brands, EZhK, arranged free winter playgrounds for children in Nizhny Tagil and Ekaterinburg, each site having New Year programmes prepared with participation of Father Frost and presentation of branded gifts. Children went ice-skating, took part in a Christmas tree party and could demonstrate their snowball-throwing skills at an improvised fortress with targets. The youngest of kids were entertained with educational busyboards and a fancy game of dice.

Rusagro congratulated veterans of the Great Patriotic War

In 2021, Rusagro congratulated more than 300 veterans on the 76th anniversary of victory in the Great Patriotic War. The plants had themed posters hanged out and wreaths laid at places of military glory. The Company holds such congratulations every year.

SPORTS EVENTS

Rusagro also focuses on holding sports events in the regions where it operates. In 2021, Rusagro was the general sponsor of the famous Derzhavinskaya Mile race and supported the Belgorod Half-Marathon.

The Meat Business proved to be the most active of Rusagro's segments in organising sporting events for employees and local residents in 2021, joining in the following events:

- All-Russian half-marathon, ZaBea. in Tambov;
- · The Maevka family sports event for several thousand people, which included a beach football tournament in which the Tambovsky Bacon team took first place;
- All-Russian Olympic Day and Tambov City Day, involving various entertainment events for visitors, corporate gifts and a food court with the Company's own products;
- · In-house family festival for Rusagro-Primorye employees and the rest of the Mikhailovsky district

A family holiday in the Primorye **Territory**

In October 2021, Rusagro's Meat Business hosted a big family party for Rusagro-Primorye employees and all residents of the Mikhailovsky district, involving more than 3,000 people in total.

For one day, Mikhailovka square was transformed into a big amusement park for both adults and the youngest guests of the holiday. There were themed photo zones, creative master classes, agua make-up, sports stations and a GTO test zone, as well as performances by creative groups and a cover band from Vladivostok. The main event of the day was the staging of a world record-breaking barbecue made from the Slovo Myasnika branded meat and a large-scale evening concer.

All-Russian half-marathon, ZaBeg, in Tambov

The Meat Segment of Rusagro sponsored the All-Russian half-marathon ZaBeg in Tambov in May 2021, with a refreshment point for the athletes with meat products of the Slovo Myasnika brand.

A team of seven company employees (led by the General Director of the Meat Business, Evgeny Sluchevsky) took part in this half-marathon. The team showed excellent performance, covering a distance of between 5 and 21 km

Q

COOPERATION WITH AUTONOMOUS NON-PROFIT ORGANISATIONS

In addition to direct support to local communities, Rusagro also seeks to work with non-profit organisations in the regions where it operates and to work together on charitable activities and address various social issues affecting local communities.

Rusagro partnered with a autonomous non-profit organisation (ANO) to hold a competition for social projects

In 2021, Rusagro, in cooperation with the Tambov Region Volunteerism Development Resource Centre, whose main aim is to increase socially useful employment, held its first social project competition for Company's employees – Horizons of Kindness. The goal of the competition was to promote corporate volunteering and encourage employees in their community initiatives.

A total of 102 ideas in five categories were submitted by employees from all business segments:

- 24 ideas in healthy lifestyles and sports cate;
- 18 ideas in education and culture category:
- 27 ideas in environment category:
- 22 ideas in spatial infrastructure and urban environment category;
- 11 ideas in my small motherland category.

Participants were assessed by a panel consisting of social engineering experts and representatives from Rusagro and ANO. Five ideas were picked up and granted RUB 87 ths to 334 ths to make them come true. The projects will be delivered in 2022 with the support of ANO.

WINNING PROJECTS

ECORUSAGRO

Building social ties between the Company and regional residents to address environmental and urban issues

SUGAR IS IN NORM -YOU ARE IN GOOD FORM!

Raising public awareness of diabetes mellitus and other endocrine diseases

YOUTH IN THE AGRIBUSINESS!

Attracting young people to work and build a career with the Company

OFFSITE ART WORKSHOPS

Introducing students from departments of district children's art schools in the Tambov Region to new types of creativity

IMPROVING THE FINANCIAL LITERACY OF THE COMMUNITY

Increasing employees' knowledge of personal financial management and developing the competencies of a financially literate person

LOCAL COMMUNITY RELATIONS GRI 102-43

Rusagro always looks toward close communication with local communities, while meeting their expectations. The feedback system in place in the Company includes a variety of communication channels to respond quickly and in a timely manner to any complaints, questions and suggestions from local residents and community representatives. All enquiries received via open telephone or email are distributed within business segments as to areas of responsibility and processed within three working days.

Rusagro conducts regular surveys among representatives of local communities on the necessary infrastructure development in the regions where it operates.

PLANS FOR 2022 AND A MID-TERM **HORIZON**

In 2022, Rusagro plans to proceed with the Charity Programme and support regional social development through sports and cultural events, competitions for volunteer projects and grants to educational institutions. All social projects launched in 2021 will continue in 2022.

Social factors of sustainable development / ANIMAL WELFARE

Animal welfare

48

MATERIAL TOPICS

· Animal health and welfare

SASB METRICS

SASB FB-MP-410A.1

SASB FB-MP-440A.1

SASB FB-MP-440A.2

Q

 \square

₾

CONTRIBUTION TO THE UN SDGs



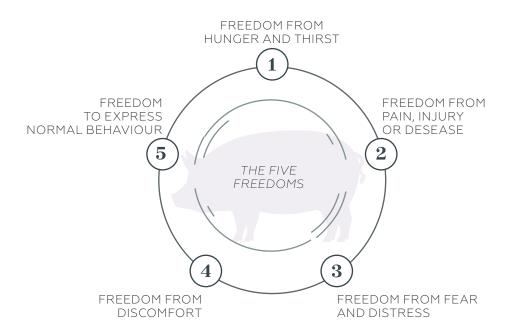


MANAGEMENT APPROACH

SASB FB-MP-410A.1) (SASB FB-MP-440A.1) (SASB FB-MP-440A.2

Rusagro is continuously improving its approach to animal welfare aspects. Animal welfare is directly linked to product quality, human health and the sustainable development of the Meat Segment. Rusagro's employees place a high priority on the humane treatment of animals, from breeding and feeding to transport and slaughtering. The Company is developing practices that promote each of the Five Freedoms of Animals.

A new position was introduced in 2021, with the Director of Veterinary and Technology joining Rusagro's team, who, together with the heads of production sites, managers, the veterinary service and the director of production, ensure the management of animal welfare aspects.



M ROS AGRO

[3

MANAGEMENT APPROACH

SASB FB-MP-410A.1

SASB FB-MP-440A.1

SASB FB-MP-440A.2

ENSURING THE FIVE FREEDOMS OF ANIMALS



Freedom from hunger and thirst. All animals are housed in premises with automatic feed and water systems, tailored to physiological characteristics of the animals.

The proportion of in-house produced feed at all production sites is 100%. Rusagro does not use animal feed sourced from regions with high or extremely high baseline water stress. All of Rusagro's production sites have main and reserve artesian wells that provide the necessary volumes of water. The water supply process is arranged so to completely avoid water supply interruptions to animals.



Freedom from pain, injury or deasease. Rusagro's employees observe animals on a daily basis to promptly identify signs of disease or injury and take the necessary response measures, while creating the necessary housing and transportation conditions to reduce injuries to pigs.



Freedom from fear and distress. The conditions in which animals are reared play a significant role in preventing the development of stress. Therefore, Rusagro creates a suitable microclimate in the animal housing, provides balanced nutrition and pays special attention to changes in housing regimes.



Freedom from discomfort. The Company's pig farms are set up as required by current Russian laws in terms of watering capacity, feeding, air exchange and the necessary housing space. Rusagro continually improves the conditions in which its pigs are kept, ensuring their comfort and peace of mind.



Freedom to express normal behaviour. Pigs are extremely social animals. They form bonds with other pigs and with those who care for them. Open housing systems provide social interaction between the animals and the necessary space for them to move around, and 20% of the sows are housed in groups to maintain and improve comfort conditions during pregnancy.

AUTOMATION

Rusagro has a special focus on innovations for animal welfare and aligns the technologies used with global best practice. In 2021, the Company delivered a wide range of automation projects. In 2022, the Company plans to roll out a project to automatically detect animals suspected of having a disease.

Automatic feed delivery

The Meat Business put in place a unique project for automatic ordering and delivery of feed to four production sites in the Tambov Region, resulting in less time spent on determining feed levels in feed bins, analysing feed intake by animals and forming an order for feed delivery.

Remote weighing of animals

A total of 18 Rusagro's pig breeding sites had the traditional weighing way replaced with an innovative computer vision one. This method uses a special camera and programmed algorithms to determine the average weight of a pig, without stressing it, and facilitates faster feeding decisions.

AUDIT

The Company has an internal system of regular audits, which are carried out by the security service and the biosafety manager and help to reduce disease risks and promote animal welfare.

The pre-slaughterhouse and slaughterhouse animal management is audited by internal specialists on an annual basis for compliance with sanitary and technical conditions and animal welfare regulations.

In 2021, Rusagro's facilities were successfully audited by external auditors for compliance with McDonald's requirements, including animal welfare practices.

 \supset







KEEPING ANIMALS HEALTHY

Rusagro has a General Regulation on Biosafety in place, which regulates all processes related to risk mitigation as to preventing the introduction and spread of animal diseases, as well as standards for each process-related and veterinary procedure. A comprehensive assessment of operators' theoretical knowledge and practical skills is carried out twice a year in order to reduce the risks associated with animal disease and maintain the high qualifications of employees.

The chief veterinarian of the Meat Business, 83 field veterinarians, as well as senior and chief district and regional veterinarians, are responsible for the health and timely treatment of all livestock, biosafety, and proper sanitation and disinfection of production sites.

Specialists monitor the health status of the animals on a daily basis, followed by the necessary treatment according to approved schedules, using only drugs that are approved for use in the territory of the Russian Federation. Rusagro's veterinarians are responsible for prescribing and monitoring the timeliness and reasonability of the treatment administered to animals.

BIOSAFETY

To maintain a high level of biosafety, the Company adheres to five key principles. By complying with these principles, Rusagro was able to minimise the impacts of the African swine fever (ASF) epidemics in Russia. From 2017 to 2021, the Company was affected by ASF only twice, both times with just minor consequences. The Company reported no cases of ASF in 2021, despite a record high number of cases on a domestic level.



1. Physical separation and AIAO production

Full control of the land within a 10 km radius of its farms to ensure that there are no other pig-breeding farms. Farms are spaced 1 to 3 km apart. Animals of different generations and different production functions are kept separately to prevent the spread of diseases.



2. Restricted access

Strict entry and exit control with registration and restricted access to areas inside the pig farms for employees or other visitors and vehicles. Mandatory personal hygiene procedures for people and washing, disinfecting and heat treatment for vehicles.



3. Feed quality control

Continuous laboratory control of all feed ingredients in feed mills, including the assessment of the quality and purity of ingredients, check for pathogenic elements. infections and toxic substances. All feed is heat-treated to prevent the spread of disease.



4. Strict sanitary procedures

Regular cleaning and disinfection of production areas. Following the all in/all out principle: filling the production area exclusively with animals of the same generation. After the rearing period, the empty area is cleaned and disinfected.

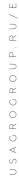


5. Vaccination and disease monitoring

The animals are regularly vaccinated to prevent all known diseases. Continuous monitoring of disease occurrence data and studying the latest scientific developments in biological and veterinary safety. In the event of disease outbreaks, refuse to purchase feed or supply animals from/to the regions where they are recorded.

PLANS FOR 2022 AND A MID-TERM HORIZON

A number of projects are scheduled for 2022 to maintain and develop pig farms in order to improve animal maintenance and welfare, including major renovations at the production sites of the Meat Business, increasing the number of stock trucks and other machinery, replacing some equipment, renovating manure storage and manure separation stations, and major repairs to machine tools, feed distribution systems, water supply for animal drinking and access roads at several sites.



Corporate governance factors

OF SUSTAINABLE DEVELOPMENT

Corporate governance factors of sustainability / ESG STRATEGY AND MANAGEMENT

ROS AGRO

ESG strategy and management

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 sustainability of the Company's business is necessary to maintain national food security and the national independence from food imports.

CONTRIBUTION TO UN SDGs





















0

 \supset







Q

[2]



MISSION, VISION, VALUES AND STRATEGY

GRI 102-16) (GRI 102-26

In keeping with the mission To Make People's Lives Longer and Better, the Company focuses on long-term growth and responsible conduct of business, accommodating the interests of all stakeholders. In 2008, Rusagro went ahead with its "field to shelf" concept, which implies a vertically integrated business model in food production. As of 2021, the Company continues to follow out this concept.

Rusagro is guided by the following corporate values:



In 2021, Rusagro began developing a formalised ESG strategy, which is expected to be approved in 2022. The idea behind the new strategy is to support the Company's stable and sustainable growth, improve the transparency of non-financial information about its operations, and create added value for stakeholders.

Development stages of Rusagro's ESG management system

Appointing a person in charge of formulation and implementation of the ESG agenda Laying out an action plan to navigate the ESG agenda Analysing of the maturity of ESG practices in the Company Scheduled for 2022 Release of the first ESG report under international GRI standards Approval of the first ESG strategy Appointment of ESG Curator on the Board of Directors Obtaining S&P CSA and CDP ratings

(Carbon Disclosure Project)

Rusagro's Board of Directors plays a key role in setting strategic sustainability priorities for the Company's management. Among other things, the Board determines the fundamental values that guide Rusagro's business and oversees the progress on the corporate strategy.

The Company's mission is based on three basic principles: minimising its negative environmental impact, creating positive externalities for society and maintaining high standards of good corporate governance. The ability to align Rusagro's practices with global sustainability and responsible business conduct trends is now a prerequisite for achieving strong economic performance and ensuring the long-term growth of the Company.

Rusagro traditionally prioritises following areas:

Business expansion;

Increasing the sales of retail products and brands;

Digital transformation and innovations;

Development of human capital.

Rusagro aligns its sustainability strategy with the UN Sustainable Development Goals (SDGs).

₽

RUSAGRO'S STRATEGIC APPROACH



ENVIRONMENT

Goals:

• to minimise the negative environmental impact

Measures:

- employing sustainable agriculture methods
- safeguarding the soil health
- mitigating emissions of greenhouse gases and pollutants
- reducing energy consumption and improves energy efficiency
- reducing load on water resources by optimising water consumption
- minimising pollution by effluents
- · reducing the amount of waste produced



COMMUNITY

Goals:

 to enhance the attractiveness of its employer brand and the social development of the regions where it operates

Measures:

- providing training for employees and facilitates their career growth
- creating safe working environment
- ensuring equal rights and opportunities
- offering social support and financial motivation
- increasing employee engagement
- investing resources in supporting and developing local communities



CORPORATE GOVERNANCE

Goals:

 to ensure high quality and sustainability of corporate governance

Measures

- providing a transparent ownership and management structure of the Company
- disclosing non-financial information in a timely manner
- actively engaging with investors and shareholders
- enforcing business ethics and applicable laws
- building responsible supply chains

GOALS

- To achieve high economic performance
- To ensure the long-term sustainable growth of the Company
- To serve the interests of stakeholders

CONTRIBUTION TO THE UN SDGs

UN SDGs Rusagro's contribution



Rusagro is committed to creating new jobs in the regions where it operates and offers fair and decent remuneration for its employees



In 2021, the Company employed a total of 17 ths full-time employees and 3,000 temporary employees $\,$

Rusagro does not use forced or child labour and upholds international human rights and labour standards



As a producer of key mass-consumption agricultural products, Rusagro aims to provide consumers with quality food at reasonable prices and is therefore aware of its role in ensuring national food security



55

Q

[3

Rusagro cares as much about the health of its employees as it does about the health of its consumers. The Company has a comprehensive employee health programme and maintains high product safety standards



Rusagro's programme to support local communities and social development in the regions where it operates covers charitable projects that address the development of educational infrastructure and various educational events, amounting of total of RUB 38.8 mn allocated to promote education in the regions of presence in 2021

Moreover, Rusagro is strongly focused on the development of its own employees. Over 19 ths employees received training in 2021, both in face-to-face and distance formats



The Company has a zero-tolerance policy towards all kinds of discrimination, seeing diversity as a source of inspiration and opportunity



At the end of 2021, the overall proportion of women in the Company was 35%, while among white-collars this figure reached 60%



All of the Company's business segments are exploring opportunities to incorporate the circular economy principles, reduce the amount of waste produced and re-use resources

For example, lime defecate, a by-product of sugar plants, is apllied as a fertiliser in the Company's fields

UN SDGs Rusagro's contribution



Although the regions where Rusagro operates are free of any risks associated with the scarcity of water resources, the Company apples itself to optimise water consumption and minimise pollution with effluents

The Company implements water recirculation and reuse systems and automates water consumption control systems

The year-on-year results showed the decrease of 4,000 cubic metres in the total water consumption.

Concurrently, the Company is working towards improving the quality of effluents



Air cleaning equipment and dust & gas catchers are mandatory pre-requisites for the reduction of atmospheric emissions



Another focus area of the Company's measures covers the energy consumption reduction and energy efficiency improvement

Reducing energy consumption enabled the companies of the Oil and Fats Segment to make total savings of more than RUB 50 mn in 2021 $\,$



In 2021, Rusagro established a specialised company, Rusagro Technologies, for centralised management of process-related innovations

Innovative projects run by the Company during the reporting period include the optimisation of machinery route in the field, the design of a freight transport planning algorithm, the development of an intelligent management system for raw material procurement and delivery, the integration of business planning for sales, logistics optimisation, the promotion of video analytics as a management data collection tool and the development of tool-based monitoring of equipment condition



In using fertilizers, Rusagro obeys regulations that envisages environmental safety measures to eliminate the risk of soil pollution

The Company also invests in land reclamation

 \supset



SUSTAINABLE DEVELOPMENT APPROACH (GRI 103-2)

As far as Rusagro's sustainability management is concerned, there are six focus areas.

Fighting against the global climate change

Transitioning to a circular economy model

Using sustainable agriculture practices

Caring for its employees and local communities in the regions where it operates

Caring for consumers' health through strict quality and product safety controls

Complying with business ethics and conduct; and creating responsible supply chains

FIGHTING THE GLOBAL CLIMATE CHANGE

Over the last century, man-induced impacts increased the amount of greenhouse gases in the planet's atmosphere. The agro-industrial sector accounts for 17% of these emissions. Methane and nitrogen oxide emissions from farming operations rose by 14% since 2000. Livestock production' is responsible for a quarter of all methane emissions. It is estimated that the global carbon intensity of pig production is 6 kg $\rm CO_2$ -equivalent per kilogramme of pig carcass'.

All the above led to an increase in global average temperature, which in turn had a negative impact on the global climate. Such warming brings with it the risk of melting glaciers, rising global sea levels and increasing the frequency of extreme weather events such as droughts, forest fires and floods. Changes in temperature, ozone depletion, lack of water and nutrients could adversely affect crop yields and therefore jeopardise the food security of the Company's sales regions and its economic performance.

Being a responsible company, Rusagro takes into account that the agricultural business is a significant source of anthropogenic greenhouse gas emissions¹. This is why Rusagro makes every possible effort to ensure that the Company's climate strategy adequately responds to all current challenges related to global climate change, encompassing measures to control greenhouse gas emissions and improve cleaning equipment and processes.

CIRCULAR ECONOMY

Limited natural resources and the growing amount of waste generated pose a serious risk to the long-term sustainability of the economy. Annual human consumption of resources already far exceeds the planet's ability to reproduce them, while waste is destroying the environment, causing severe damage to soil health, water resources and fragile ecosystems. The agricultural sector in particular be heavily reliant on resources such as water, fertile land, phosphorus and fossil fuels. Reducing excessive consumption of water, fossil fuels and phosphate fertilisers will not only help reduce the negative environmental impact, but will also ensure the sustainability of business in the future.

The Company's emphasis in this area is on optimising water consumption, reducing the amount of waste produced and seeking opportunities to embed the principles of a circular economy in its operations.

SUSTAINABLE AGRICULTURE

To meet the food needs of present generations in a way that does not deprive future generations of the same opportunity, agribusinesses now need to take steps to integrate the principles of sustainable agriculture, and this is the issue Rusagro is adressing now. This approach will help reduce the negative impact on soil health and thereby prevent premature soil depletion. Moreover, a more caring attitude towards fragile ecosystems will be beneficial for the overall level of environmental well-being in the regions where the Company operates and will improve the lives of local communities.

Rusagro's agricultural activities are based on an adaptive-landscape farming system, which involves ensuring agro-landscape sustainability and restoring soil fertility. When planning the optimum quantity of products, the Company takes into account environmental factors, available natural and production resources and market needs.

- FAO, Emissions due to agriculture. Global, regional and country trends 2000–2018.
- ² IEA, Methane tracker 2020.
- ³ FAO, Greenhouse gas emissions from pig and chicken supply chains. A global life cycle assessment, 2013.
- 4. Our World in Data, Emissions by sector.



Q

[2]

[3

CARING FOR EMPLOYEES AND SUPPORTING LOCAL COMMUNITIES

Rusagro's employees are one of its most valuable assets. Attracting and retaining skilled staff in the agricultural sector is a certain challenge for business today. In order to remain an attractive and prestigious place to work and meet the changing interests, priorities and demands of potential employees, agri-business calls for corresponding changes. To fit the times, Rusagro concentrates on developing internal human capital in order to improve the attractiveness of its own brand for agricultural experts. The Company builds an innovative and inclusive environment that is conducive to the development of career and professional potential.

Being consistent with its mission to improve people's quality of life, Rusago orchestrates its activities in a way that maximises positive externalities in the regions where it operates through the investment of resources and comprehensive all-round support for the social development of local communities. The Company's charitable projects and social investments cover the promotion of education and hosting of cultural and sporting events.

PRODUCT QUALITY

Consumers of our products are one of our most important stakeholders, and it is therefore crucial to ensure the safety of the food produced and supplied by Rusagro. Maintaining high standards of product quality control is a pre-requisite of a high level of customer satisfaction.

All of the Company's business units have quality control services responsible for the safety of their products, and all production sites are also certified for compliance with international quality management and food safety standards.

ANIMAL WELFARE

Caring for the welfare of animals in the Meat Business means much to Rusagro, and it makes sure that animal housing and management conditions remain humane at all stages of production by employing practices that ensure the so-called 'five freedoms of animals', which include the proper provision of food and water, protection from pain, injury and disease, minimisation of stress and discomfort, and ensuring that animals can lead a natural life.

BUSINESS ETHICS AND ANTI-CORRUPTION

High standards of business conduct and ethics, as well as compliance of the Company's operations with all legal regulations within the framework of applicable law, are an important component of modern responsible business. Rusagro's activities are aligned with an internal Code of Business Ethics and Conduct, which is binding for all employees and suppliers. In addition, the Company closely monitors compliance with applicable laws and actively tackles any issues of corruption and fraud.

RESPONSIBLE SUPPLY CHAINS

A responsible approach to business is to be followed not only by the Company, but also from its suppliers to cover a sustainable value chain for Rusagro's products. To minimise the negative environmental and social impacts of Rusagro's products, there is a continuous improvement model for supply chain management, ensuring the transparency of procurement processes, assessing ESG risks, selecting responsible suppliers and automating the procurement system.







ESG RISKS MANAGEMENT

NON-CLIMATE CHANGE RISKS

Timely identification of risks related to sustainable development and elaboration of preventive controls are at the core of the Company's strategy. Each year the Board of Directors reviews a list of the most significant risks identified and reconsiders the strategy accordingly. Thus, Rusagro identified seven types of risks in 2021 (listed in the Company's 2021 Annual Report), which, if realised, could potentially have the greatest impact on the Company's performance.

All but one risks identified relate to the sustainability area; the one risk out is associated with a drop of prices for Rusagro's products due to a number of market factors, which are beyond the Company's control, for example, an increased supply from competitors, lower purchasing power of households, or a global decline in the prices of similar products.

The other six risks are sustainability-related (see the Sustainability Risks table) and can be divided into two main categories: non-climate change risks and climate change risks.

The political risks highlighted by Rusagro include possible changes in national policy on price controls for marketed products, as well as changes in tax and export/import regulations. The imposition of price ceilings, duties and quotas on food exports will limit our ability to maximise revenues, while higher taxes will reduce net profits.

Another group of risks cover human errors in the planning and implementation of process steps, which can negatively affect the Company's performance and increase the cost of production. Agronomic errors can ruin the results of the Agriculture and Sugar business segments, while procedural violations at the meat processing plants can compromise the Meat Business.

The coronavirus pandemic evidentiated the

vulnerability of global business to such events. The emergence of new epidemics or pandemic outbreaks in Russia could impinge upon the Company's profits due to business restrictions imposed to the Company and its contractors. In particular, there are risks of plant shutdowns, loss of productivity when switching to work from home, delays in the execution and implementation of commercial contracts, freezing of construction projects and repair jobs.

Launching a meat business project in the Primorye Territory involves a whole cluster of potential risk factors. The remoteness of the region where the construction is taking place from industrial centres, the lack of qualified white and blue collar staff and the difficult climatic conditions could potentially make the project more expensive and slow down its progress.

CLIMATE CHANGE RISKS

Rusagro identified two main climate-related risks in 2021: lower revenues due to a drop in yields caused by abnormal weather conditions, and lower revenues due to the spread of animal and plant diseases.

Weather conditions are a critical success factor for the agribusiness. Extreme weather conditions and phenomena, such as droughts, frosts, excessive humidity, strong winds, hail and thawing, can erode crop yields, which determine the revenue size for all Rusagro's business segments.

Global climate change also brings the risk of dangerous animal and plant diseases, which can adversely affect the Company's performance. The most dangerous among them are root rots, parasites, viral and infectious diseases of pigs, such as African swine fever, reproductive and respiratory syndrome, foot-and-mouth disease and atypical pneumonia.

ROS AGRO PLC

SUSTAINABILITY RISKS

Risk description	Risk management	
Changes in laws, national policy and regulations	 The Company monitors any changes in the national policy and responds accordingly, adapting Rusagro's strategy promptly The Company takes a proactive position and negotiates with government officials, whenever possible, the introduction of restrictive measures and their impact on business 	••••
Process-related errors	 Monitoring and better management of the personnel, including through the elaboration of effective motivation systems Preparation and enforcement of standards, regulations and instructions for the process-related operations; Automation and digitalisation of planning processes, management of production activities 	••••
Reduced yields due to climate change and weather anomalies	 An integrated approach to weather forecasting based on weather station data Regular monitoring of seeds Digitalisation of strategic planning and operational processes in the Agriculture Business Automated generation of the optimum schedule for sugar beet digging, piling and delivery, as well as the schedule for harvesting and delivery of grains and pulses Automated quality control of handling operations Development of sprinkling and irrigation systems Selection of the best hybrids and pedigree seeds to meet the condition of particular climatic zones 	
Escalation of costs associated with the meat business project in the Primorye Territory	 The Company scheduled and is currently implementing the measures to protect its lands against natural phenomena common for the Primorye Territory, including the construction of additional surface water collection and drainage systems The construction contracted large-scale companies with their own logistics network both in Russia and abroad, in-house engineering and operation personnel. This increases the cost of project implementation, but mitigates the risk of longer timelines 	••••
Outbreak of an epidemic (among humans) in Russia	 Establishment of a prompt response headquarters to develop anti-crisis measures and monitor their implementation Restricted movements of employees between the Company's offices and production sites, as well as less travel to other regions and countries Distribution of additional personal protective equipment and antiseptics, additional disinfection measures Comprehensive communication programme to keep employees informed, launch of dedicated hotlines for employees Support for employees to carry out regular testing and vaccinations 	••000
The spread of new animal and plant diseases	 Transport and inventory flow control and decontamination Prevention of physical contact of farm-bred pigs with wild animals Health monitoring of pigs reared at the Company's production facilities Monitoring of ASF disease incidents in Russia Pest control by treating plants and seeds with insecticides and fungicides 	•0000

Risk significance (1 to 5)



\supset \supset 0 \propto 0 α O S \supset

STAKEHOLDERS RELATIONS

GRI 102-21

GRI 102-40

GRI 102-43

GRI 102-44

Rusagro is in constant communication with its stakeholders including government authorities, own employees, local communities in the regions where the Company operates, consumers and investors. Rusagro uses appropriate channels of communication to make communication more effective.

The Board of Directors' consultation process with stakeholders is realized via the CEO of Rusagro, heads of the Company's business segments and heads of services responsible for interactions with the relevant category of stakeholders. The list of stakeholders is reviewed and updated on a regular basis.



For more details on shareholder and investor engagement, see see the Corporate Governance section of the Company's Annual Report on page 135.

STAKEHOLDERS ENGAGEMENT MECHANISMS

Stakeholders	Interest satisfaction measures	Communication channels / engagement mechanisms	
Shareholders and investors			
Accommodating the interests of investors and shareholders regardless of geography, skill level, and the size of their	 Transparent dividend policy and regular payment of dividends to shareholders 	The Company's IR Director is responsible for liaising with representatives of the capital markets via the following channels of communication:	
block of shares is a high-priority task, which Rusagro completes through the timely disclosure of information	 Holding shareholder and investor meetings with management (online and offline) 	email enquiries to ir@rusagrogroup.ru;Conferences, webinars and face-to-face meetings with investors and	
about its activities and performance, in accordance with	Disclosing Company information in accessible and comprehensible	investment analysts	

- Disclosing Company information in accessible and comprehensible
- · Meetings with investment funds and analysts to discuss current trends and the questions concerning the Company's business
- · Disclosing ESG information in the ESG Report

investment analysts

Employees

The Company's employees are its most valuable asset and the foundation for sustainable development, therefore Rusagro invests significant resources in creating and strengthening internal human capital, building an attractive employer brand image and increasing employee engagement

global best practice and the requirements of the Moscow

Exchange and the London Stock Exchange

- · Competitive pay and comprehensive social support
- · Help with competence and career development
- · A proactive approach to succession planning and leadership development
- · Holding cultural and sporting events
- · Implementing a programme to promote the psychological well-being of employees

The following channels of communication are used for internal communications:

- Rusagro's Vestnik newspaper
- email newsletters and a corporate portal with an anonymous mode
- · corporate TV in the Meat, Sugar and Oil and Fats Business segments;
- live call-ins with the CEO







ROS AGRO PLC

0 S

akeholders Interest satisfaction measures		Communication channels / engagement mechanisms		
Government and its agencies				
As a systemic company, Rusagro has a significant impact on the food security of the country and the well-being of the regions of its presence. The Company maintains ongoing cooperation with the state and its representatives to control political risks and support the accomplishment of national agenda	 Disclosing information as mandated by laws Participating in public discussions of projects to change the rules for the provision of state support and regulation of food and agricultural markets Accountable use of state support funds allocated to the Company under the ongoing programmes 	The Company is in a regular dialogue with the Government through professional unions (Russian Union of Sugar Producers, Russian Union Pork Producers, Russian Oil and Fats Union)		
Clients				
Rusagro's clients are Russian and international industrial and trade enterprises operating in Russia and abroad. Further expansion of the customer base and stronger position in target markets is one of the Company's key priorities	 Engaging with clients on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness Strict adherence to high standards of business ethics, avoiding corruption and bribery A wide range of products in different price segments Recognisable brands with a high level of loyalty and trust of the end consumer 	The following channels of communication are used for clients engagement hotline E-mail feedback forms on individual brand websites electronic document exchange		
Community				
As a strategic investor, Rusagro is concerned about the social development and improvement of the quality of life in the regions of its presence	 Implementing charitable projects to support education, personal and vocational skills development for socially disadvantaged children Holding cultural, sporting and environmental events 	The Company uses the following channels of communication with local communities: • public social media accounts		
	Annual disclosure of information on the Company's social and environmental impact	 public telephone lines E-mail 		
	 Monitoring of regional media and the Internet to control the negative information environment, publishing and diffusing Company's news 			







MEMBERSHIP OF ASSOCIATIONS GRI 102-13

AS OF THE END OF 2021, RUSAGRO IS A MEMBER OF THE FOLLOWING INDUSTRY ORGANISATIONS



The Union of Sugar Producers of Russia is an organisation established in 1996 to coordinate the entrepreneurial activities of its members. The Union is also engaged in representing and protecting the common property interests of its members in state authorities and governmental bodies, Russian and international organisations. In addition, the organization applies its efforts to develop Russia's sugar beet industry and facilitate the effective functioning of the national sugar market.



National Union of Swine Breeders is an association of Russian pork producers created in 2009 to coordinate their business activities, represent and protect their interests, and develop the Russian market for pork products.



The Russian Oil and Fats Union is an organisation established in 1998 to consolidate the efforts and coordinate the activities of enterprises to ensure sustainable and stable functioning of the oil and fats industry in the country.

The Union cooperates with leading industry technologists, business representatives and is in close contact with the Chamber of Commerce and Industry of the Russian Federation, the Russian Union of Industrialists and Entrepreneurs, the Association of Manufacturers and Consumers of Oil and Fat Products, the National Association of Exporters of Agricultural Products and the Russian Export Center.

The organisation represents the interests of the oil and fats sector in the legislative and executive bodies of state power and administration, and participates in the development and implementation of state support measures for domestic producers.

 \supset

0

 \supset

Overview of the corporate governance system

MATERIAL TOPICS

- · Diversity in the composition of governing bodies
- Performance efficiency of the Board of Directors
- · Board of Directors and senior management remuneration
- · Nomination of the Board members

GRI METRICS

GRI 102-22 GRI 102-24 GRI 102-13 GRI 202-35 GRI 203-2 GRI 405-1

Q

 \square

2021 HIGHLIGHTS

SHARE OF WOMEN ON THE BOARD **OF DIRECTORS** ↑1 p.p.

ATTENDANCE AT THE BOARD AND AUDIT COMMITTEE **MEETINGS**

CONTRIBUTION TO THE UN SDGs





For more details of the corporate governance system see the Corporate Governance section of the Company's Annual Report on page 126



DIVERSITY OF GOVERNANCE BODIES

GRI 102-22

02-22) (GRI 405-1

The collective experience and knowledge of the members of the Company's Board of Directors forms a favourable environment for constructive discussion of issues on the current agenda, ideas and proposals. Rusagro believes that the diversity of its corporate governance bodies in terms of gender, age, education, expertise and personal qualities is an undeniable advantage that allows the Company to be better at adjusting to changing external factors.

The collective experience of the current Board of Directors covers a wide range of areas: agribusiness, economics and finance, corporate governance, audit, law and international policy, taxation and compliance. The share of women on the Board of Directors is 20%.

As of 2021, the average tenure of a Board member was nine years. The Chairman of the Board, Vadim Moshkovich, took office in 2015 and has not previously served on the Board of Directors. The term of tenure of other remaining members is 10 years as well. The average age of Board members is 46.

MATRIX OF COMPETENCES OF BOARD MEMBERS

	Vadim Moshkovich	Tassos Televantides	Richard Andrew Smyth	Anna Khomenko	Maksim Basov
Agribusiness	+				+
Economics and finance		+			+
Corporate governance	+	+	+	+	+
Audit		+			
Law and politics				+	
Taxation				+	
Compliance				+	

TERMS OF TENURE ON THE BOARD OF DIRECTORS

years

	Vadim	Tassos	Richard	Anna	Maksim
	Moshkovich	Televantides	Andrew Smyth	Khomenko	Basov
Terms of tenure on the Board of Directors	6	10	10	10	10

AGE OF BOARD MEMBERS

years

	Vadim	Tassos	Richard	Anna	Maksim
	Moshkovich	Televantides	Andrew Smyth	Khomenko	Basov
Age	54	73	59	44	46

Q

[3



PERFORMANCE OF THE BOARD OF DIRECTORS

PERFORMANCE EFFICIENCY OF THE BOARD OF DIRECTORS

The high efficiency of the Board of Directors was achieved through the high level of attendance and preparation for Board meetings. In the reporting year, none of the directors missed any Board meetings, demonstrating a 100% attendance rate. A total of four meetings of the Board of Directors were held in 2021. A list of the main issues considered by the Board of Directors during the meetings can be found in the Corporate Governance section.

The operating procedures for the Audit Committee are set out in the Regulations on the Audit Committee of the Board of Directors of ROS AGRO PLC¹. According to this document, only three out of five members of the Board of Directors have to attend Committee meetings: Televantis Tassos, Smythe Richard Andrew and Khomenko Anna. Four meetings of the Committee were held in 2021, and the attendance of all Committee members was 100%.

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS GRI 102-35

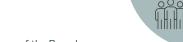
The remuneration of senior executives is made up of a fixed pay and KPI-based bonuses. In addition to this, directors receive dividends as GDR holders.

In 2021, the total remuneration of members of the Board of Directors was RUB 1,188 mn, up 48% (or RUB 384 mn) above the 2020 base. In addition, members of the Board of Directors received RUB 1,479 mn worth of dividends in the reporting year, up 286% (or RUB 1,095 mn) year-on-year. Higher remuneration is a result of positive changes in its variable pay on the back of the Company's profit improvement in 2021.

NOMINATION OF NEW BOARD MEMBERS GRI102-24

Shareholders use the following key principles as guidance when setting up the Board of Directors $\,$

Principles to fill in the Board of Directors



The number of members of the Board of Directors should not be less than two or more than five

Directors should manage the Company's business efficiently

The management exercised by directors should have the positive long-term impact on and bring success to the Company

Members to the Board of Directors shall be selected as required by the applicable laws of the Republic of Cyprus and the Company's Articles of Association.

ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES IN 2021

	Vadim Moshkovich	Tassos Televantides	Richard Andrew Smyth	Anna Khomenko	Maksim Basov
Board of Directors	4	4	4	4	4
Audit Committee	N/A	4	4	4	N/A

The following information on a candidate must be submitted during the nomination process



Full name of the candidate

Education and degrees

Information on the positions held and membership in the management bodies of legal entities during the last five years

Information about the person nominating the candidate

Oata on nominee's Company shareholding

Details of the nature of the candidate's relationship with the Company

Written consent of the candidate

The Regulations on the Audit Committee of the Board of Directors of ROS AGRO PLC are available on the Company's website.









Ethical business conduct

66

MATERIAL TOPICS

- · Business ethics and compliance
- Anti-corruption

GRI METRICS

GRI 102-16 GRI 102-17 GRI 102-25 GRI 205-2 GRI 205-3

Q

 \square

2021 HIGHLIGHTS

INDEPENDENT HOTLINE

introduced in the Agriculture Business

CONTRIBUTION TO THE UN SDGs



67

Q

 \square

ROS AGRO

BUSINESS ETHICS AND COMPLIANCE

GRI 102-16

Business conduct and ethics issues are addressed as governed by the Code of Business Conduct and Ethics of ROS AGRO PLC and Group companies approved in 2017. This document defines a list of mandatory rules to increase the capitalization, strengthen the reputation of the Company and maintain its financial stability and performance efficiency.

EFFECTIVENESS AND PROFITABILITY

GRI 102-25

Rusagro is aware of its duty and responsibility to its shareholders and partners, so profitability and operational efficiency are key values for the Company.



The Company treasures established relationships with business partners, community organisations and consumers.

MANAGEMENT **OF COMPLIANCE ISSUES**

Compliance management is structured through the Company's Internal Audit Service (hereinafter - the "Service"). As stipulated by the provisions of the Code of Business Conduct and Ethics regarding compliance and adherence to the laws, the Service surveys employees for possible breaches of the law.

Compliance officers process complaints and make decisions on how to respond. Once appropriate checks are carried out, the results are discussed with the management with respective reports being prepared for the Audit Committee. It is also the responsibility of the Service to monitor the implementation of developed and approved compliance enforcement measures within the Company's operations.

If a violation of the law is identified, the authorised officer is to notify the relevant bodies of the Company. If it is confirmed that a criminal or administrative offence has been committed, the information will be passed on to the law enforcement authorities.

If a breach of the Code is not related to applicable law, the employee held accountable may be subject to sanctions such as disqualifying for bonuses or other incentives, withholding promotion or public sanctioning. The offender may also be subject to disciplinary action if appropriate legal grounds are identified.

AVOIDING CONFLICTS OF INTEREST

Rusagro is cautious about situations in which an employee loses or may lose loyalty and objectivity towards the Company or the performance of his or her job duties. As potential conflicts of personal interest with the interests of Rusagro jeopardise the performance, the Company believes to have the right to prevent such situations, therefore the Company does not engage in any business relationship with customers, suppliers or competitors in any way other than in the course of conducting business on behalf of Rusagro.

The following situations are defined by Rusagro as conflicts of interest:

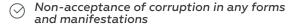
- romantic or amorous relationship between a manager and an employee accountable to that manager;
- kinship (close or distant) with another employee of the Company or a client, supplier or competitor;
- an employee of the Company (or a customer, supplier or competitor) is a spouse (including former spouses) or a relative;
- joint participation with another employee in a commercial enterprise, joint membership in religious or other non-profit organisations.

If such cases take place, the Code of Business Conduct and Ethics rules to have the immediate management and the Compliance Officer informed through appropriate channels of communication. A more detailed list of rules to avoid conflicts of interest can be found in the Code of Business Conduct and Ethics.

No confirmed incidents of corruption were identified in the Company in 2021.

KEY ANTI-CORRUPTION PRINCIPLES

THE FOLLOWING KEY PRINCIPLES UNDERLIE THE ANTI-CORRUPTION FRAMEWORK ADOPTED IN THE COMPANY:



- Personal example of the Company's management
- Employee engagement
- Consistency, balance between corruption risk and effectiveness of anti-corruption mechanisms
- Responsibility and inevitability of punishment
- Openness of the business
- Oue diligence
- Ontinuous control and regulatory monitoring
- Compliance of the Company's Anti-Corruption Policy with applicable laws and generally accepted rules

MECHANISMS FOR ADVICE AND CONCERNS

Compliance officers of the Internal Audit provide advice to employees on business ethics and compliance matters via email or telephone. The Internal Audit Service also receives, registers, records and analyses reports of instances of employees being induced to commit corruption offences for or on behalf of another organisation, corruption offences committed by Company employees, counterparties or other persons. In accordance with the Code of Business Conduct and Ethics, each whistleblower is guaranteed that his/her identity is protected, so he/she is free of any harassment.

The Agriculture Business launched an independent hotline in 2021, which is administered by a third-party operator. All calls are anonymous. The hotline gives direct access to the Ethics Committee, which consists of a narrow circle of top managers from the business segments. In addition to the telephone channel, concerns and statements can be sent via a special section on the website and email, which are also processed by an independent operator.

Corporate governance factors of sustainability / ETHIC CONDUCT OF BUSINESS

S

Q



Supply chain

69

MATERIAL TOPICS

- · Responsible supply chain
- · Circular economy and waste management

GRI, SASB METRICS

GRI 102-9

GRI 102-10

SASB FB-AG-430A.3

Q

CONTRIBUTION TO THE UN SDGs

[2]





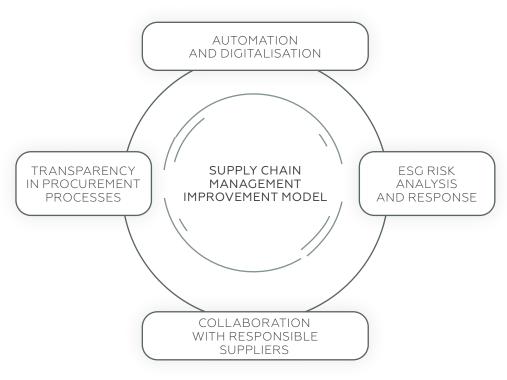
MANAGEMENT APPROACH

GRI 102-9

GRI 102-10

Rusagro is committed to responsible supplier collaboration and supply chain transformation. Rusagro recognises the importance of creating a responsible supply chain and therefore has been raising sustainability standards by engaging with suppliers, regularly updating Rusagro's Tender Regulations across all business segments, and by optimising procurement activities.

The supply chain management approach is based on a continuous improvement model



Rusagro's supply chain management improvement process is aligned with the provisions of international documents such as the UN Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation Conventions.

The Company regularly updates corporate documents to improve the efficiency of procurement process and its transparency, as well as to achieve economic benefits for the Company: Rusagro's Tender Regulations, the Code of Business Conduct and Ethics, the Anti-Corruption Policy, and the Procurement Strategy.

SIGNIFICANT CHANGES IN THE SUPPLY CHAIN

In 2021, the Company effected significant changes in its approach to procurement and supply chain management.

CHANGES IN THE SUPPLY CHAIN MANAGEMENT APPROACH

IMPLEMENTING CATEGORY-WISE PRO-CUREMENT MANAGEMENT IN BUSINESS SEGMENTS

- separation of procurements into strategic and operational categories
- · assignment of category managers responsible for the development and implementation of long-term strategies for assigned categories

LAUNCHING A **PROCUREMENT COMPETENCE CENTRE**

- · synergy in procurement of business segments
- · promotion of central procurement framework within the Company
- · expansion of best practices and staff competence development, more transparency of data and the quality of analytics

INITIATING A PROCUREMENT MANAGEMENT TRANSFORMATION PROGRAMME

 improvement of procurement functions. centralised management of procurement categories in the corporate centre and creation of single transactional and contractual centre

Rusagro integrates sustainability goals and objectives into its supply chain management strategy.

INTEGRATING SUSTAINABILITY GOALS AND OBJECTIVES INTO SUPPLY CHAIN MANAGEMENT STRATEGY

Goals	Description of goals
Creating the equal competitive conditions for all participants	 Ensuring transparency in the procurement process, impartiality in the selection of contractors, fair competition
Reducing the risk of transactions with compromised suppliers	 Identifying compromised suppliers to be removed from the list of possible counterparties during the procurement phase
Putting stronger emphasis on supply chain sustainability	 Increasing costs considered against sustainability criteria Achieving ESG strategy targets (e.g. reduction of emissions, switch to recyclable packaging)
	 Getting the required sustainability assessment by strategic suppliers (e.g. according to Eco Vadis methodology)

Q

[2]

MANAGEMENT APPROACH

DIGITALISATION AND AUTOMATION

Rusagro boosts process-related solutions aimed to optimise supply chain management procedures, e.i., a centralised SRM system for joint procurement, which was formulated in 2021 and currently is on the implementation stage. The projected return on this project is USD 0.5 mn. Rusagro's business segments are also rolling out programmes to implement industry-specific IT solutions for end-to-end process optimisation (projected return is about USD 1 mn).

Launch of Digital Farmer digital platform

Rusagro successfully launched the Digital Farmer application to automate the raw materials supplier management process. More than 1,500 agricultural producers in the three regions where the Oil and Fats Business operates are already using the app. In good time, we expect to roll out the app to other Rusagro regions as well. The Company also expressed a willingness to provide access to the app to non-competitors of Rusagro.

The objective of the platform is to simplify and improve the quality of Rusagro's interaction with farmers, make the processes more transparent, convenient and faster for all participants in the supply chain.

SUPPLIER SELECTION AND INTERACTION

The process of supplier selection starts with the evaluation of available proposals against compliance with the terms of reference and the quality of materials and services provided by the supplier. The Company's potential suppliers must be pre-qualified in order to meet our key requirements, including corporate social and environmental responsibility. The supplier is selected via an electronic trading platform for the electronic tendering system, which is used to identify critical suppliers, broadly divided into major suppliers, suppliers of critical goods and services, and non-substitutable suppliers.

The selection process is based on the criteria set forth by technical regulations, such as financial proposal, compliance with the terms of reference, business reputation, absence of tax debts, and compliance with the principles of due diligence. The supplier selection criteria may vary to meet the specifics and peculiarities of each business segment.

 \supset

0

 α

0

O

S \supset

ROS AGRO

[2]

PROCUREMENT PLANNING

DESCRIPTION

OF THE SUPPLY CHAIN

• Business segments follow a category procurement strategy

Rusagro is working towards higher sustainability of its business and the entire supply chain. One of the Company's priorities is

to develop and promote a circular and closed-loop supply chain. With the vertically integrated structure, business segments can minimise waste by re-using them. For example, the Agriculture Business uses defecate from the Sugar Segment as fertilizer.

- · All procurements are divided into strategic and operational ones, thus allowing for optimisation of the procurement process
- · With the Procurement Competence Centre launched in 2021, business segments are covered by a centralised procurement framework

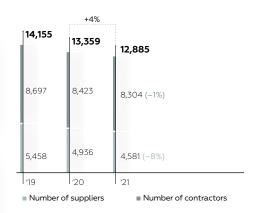
SUPPLY **PROCESS MANAGEMENT**

- · Business segments conduct a tender campaign based on the results of which a winning supplier is selected
- Those responsible for the business segments control supplies and supervise transactions as envisaged by the tender results
- Own transport and hired transport services are responsible for transportation
- The logistics companies are selected via the APLEX platform, which allows the Company to compare available proposals and choose the best ones
- The Company's business segments are members of the Charter of Carriers, which bolsters fair business conduct

PRODUCT STORAGE AND WAREHOUSING

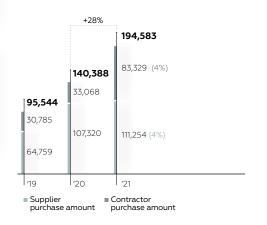
- · The business segments make sure storage facilities are running trouble-free and continuously
- · Traffic safety departments give briefings and take preventive measures such as driver safety training, as well as supervise motivational and non-motivational programmes
- Energy accounting in warehouses is handled by the relevant technical services

NUMBER OF SUPPLIERS AND CONTRACTORS



SUPPLIER AND CONTRACTOR PURCHASE AMOUNT

RUB mn



 \supset

 \supset 0 α

0

O S \supset



Rusagro's strategy highlights four priorities in supply chain management, which are used to define key performance indicators in supply chain management.

PRIORITIES IN SUPPLY CHAIN MANAGEMENT AND EXAMPLES OF KPI

FINANCIAL PERFORMANCE

- Costs saving
- Inventory and payables turnover
- Stock size

BUSINESS SATISFACTION

Satisfaction surveys

OPFRATING PERFORMANCE

- Timeliness of procurement procedures
- Timeliness of provisions
- Requisition to contract/ payment time

TRAINING AND DEVELOPMENT

- Staff competency assessment
- Share of employees with more than three years' experience in procurement management
- Number of training days per employee

RISKS IN THE SUPPLY CHAIN

SASB FB-AG-430A.3

The Company has a unified Tender Regulations that define the basic requirements for the tender procedure, make sure that the principle of competitive procurement is respected and the procurement process is transparent as possible, while reducing procurement costs and thus mitigating the Company's risks along the entire supply chain.

The Regulation applies to all procurement areas for LLC Rusagro Group of Companies, as well as its business segments. For the reasons of objectivity, electronic bidding on an electronic trading platform is set as a common tendering method for all procurements. Tendering outside electronic trading platforms is allowed only if tender funds are below the established limits.

The Company has procedures in place to assess the good standing of suppliers and due diligence in the process of supplier selection. The development of a methodology for assessing supply chain sustainability risks is scheduled for 2022.

The supplier reliability assessment involves supplier background check through SPARK if run by the Service and through the Agribusiness Charter if run by the Procurement Department staff. If the results obtained show high risks, the supplier is blocked.

PLANS FOR 2022 AND A MID-TERM HORIZON

Rusagro plans to formalise the supply chain sustainability assessment process. At this stage, we have already started the supplier assessment in terms of quality, reputation and due diligence procedures. The Company also plans to develop an assessment methodology for supply chain sustainability risks.

Also, there are plans to implement a new supplier relationship management methodology, including supplier assessment and segmentation and supplier relationship development techniques to jointly optimise the supply chain), as well as intensify the interaction with Rusaaro's strategic suppliers.





ROS AGRO

MATERIAL TOPICS

safety

· Customer health and safety

Product quality and customer

GRI METRICS

GRI 416-1

GRI 416-2

2021 HIGHLIGHTS

RECERTIFICATION **OF THE SYSTEM**

for food safety management at meat processing plants under FSSC 22000 v5.1

DIGITALISATION

of the BRAMS monitoring system for sanitory conditions of production sites and external territory at the pig farms in the Tambov and Belgorod Regions

COMPLETE AUTOMATION

of the raw material reception process in the Oil and Fats Business

ROLLING OUT OF

the critical production parameter monitoring system at all sugar plants

CONTRIBUTION TO THE UN SDGs



Pf M

ROS AGRO

Corporate governance factors of sustainability/ PRODUCT QUALITY AND CONSUMER SAFETY

PRODUCT QUALITY MANAGEMENT APPROACH

GRI 416-1

One of the key priorities for Rusagro is client and customer satisfaction and safety. Each of the Company's business segments established its own product management and quality control framework to achieve high relevant performance results. All categories of finished products are assessed by quality control services to ensure that they do not have a negative impact on the health of customer.

Meat Business

The product quality management approach of the Meat Business is aligned with its Quality and Food Safety Policy. This System includes veterinary service, quality control and quality assurance service, standardisation and certification function, and claims collection and processing function.

The Company's veterinary service makes sure that animals are medically fit for use in food production, carries out an examination of finished products and draws up veterinary reports

The quality control service is responsible for quality control of all finished products. During 2021, Rusagro has been integrating a software that creates technology compliance checklists and assesses the quality indicators of the finished product.

The quality management approach at the production sites in the Tambov and Belgorod Regions was certified as compliant with ISO 22000 and FSSC 22000. In 2021, all sites in both regions have their documentation uniformed.

Claims management involved the collection of quality complaints from customers and their investigation together with the logistics and production departments.

Oil and Fats Business

The Quality Department of the Oil and Fats Business follows the provisions of the Quality and Product Safety Policy, Integrated Quality Management System Manual, Non-conforming Product Management and Food Safety Management System Manual (HACCP). In 2021, the Quality Departments of Rusagro's Dairy Products Business and the Oil and Fats Business were merged together. Structurally, the Department is divided into three groups: the Quality Assurance Department, the External and Internal Interactions Control Department and the field Quality Control Service.

All production sites are certified to ISO 9001 standard, and Yekaterinburg, Saratov and Atkarsk sites are also certified to FSSC 22000 standard. Following successful auditing in 2021, all sites confirmed their compliance with GMP+ standards. Saratov Fats Plant has RSPO ISCC certification.

The Quality Department of the Oil and Fats Business is also directly involved in auditing the Company's suppliers to ensure the quality of products purchased.

Sugar Business

The Quality Service is a department in the Sugar Business that is responsible for the coordination of all product quality assurance activities and the development of the quality management approach. This management body is present at all production sites. The Head of Security coordinates activities of the Quality Service at the business segment level, while the Site Quality Managers oversee quality control activities at separate production sites and supervise a plant chemical engineer (in charge of laboratory control) and a quality specialist (in charge of certification and incoming inspection).

All plants have a food safety management system compliant with FSSC 22000 standard, and all production sites are certified by an external certification and auditing service provider. Compliance audits are carried out once a year and recertification audits – once every three years. The fodder safety management system is based on the GMP+ standard: pulp production is certified at seven plants and betaine production at two plants.

Agriculture Business

The product quality management issues in the Agriculture Business are covered by the Company's Commercial Function, reporting directly to the General Director of the Agriculture Business. The Function operates to Customs Union technical regulation 015/2011 "On Grain Safety", Rusagro's Quality Policy, instructions for quantitative and qualitative accounting of grain and its products, incoming quality control, drying and cleaning, storage of finished products, and regulations for crop production outgoing inventory.

There are four focus areas of the Commercial Function related to product quality management and control: laboratory control, assurance of system requirements for storage conditions, accompanying documentation and standardisation.

🎾 ROS AGRO

Q

[3

PRIORITIES AND KEY GOALS

Business sustainability necessitates continuous development of Rusagros' management system and product quality control.

Meat Business

- (>) To fulfil stakeholder requirements:
 - · national traceability requirements
 - · changes to the National Certification System
 - exclusive customer requirements
 - · entry into new high threshold markets
- () Quality as a competitive advantage:
 - compliance with market requirements
 - · ensuring the shelf life necessary for stable sales
 - · quality assurance in terms of shelf life and compliance with specifications;
 - benchmarking of competing products
- (>) High level of customer service (prompt feedback, objective and transparent feedback)
- WFP certification in export markets
- (>) Cost-effective quality service
- () Centralisation of the quality service

Oil and Fats Business

- To uplevel the quality of products made:
 - · to unify the quality control system at all stages: incoming control, production, control of finished products
 - · to upgrade the quality control of products made through internal inter-laboratory rechecks, inter-company rechecks with the involvement of third-party accredited laboratories
 - to unify internal standards for finished products (B2B), semi-finished products
- To implement an operational efficiency plan:
 - to reduce latent defects and returns from production due to non-conforming raw material;
 - · to ensure that the claims management process is efficient and effective
 - · to reduce the percentage of customer complaints
- To implement a site automation project:
 - · project for automated sampling at the stage when raw materials are transferred to the production, at the finished product outlet stage and at the shipping stage
 - · LIMS pilot project at one site with subsequent rolling-out
 - · to equip all sites with standardised high-tech equipment
- To upgrade the staff skills, ensure interchangeability of employees:
 - · to introduce common methodology training systems for employees
 - to achieve human capital goals

Sugar Business

- Development and improvement of the food and feed safety and quality system
- Measurement efficiency improvement (through automation and implementation of statistical analysis methods)
- > Focus on meeting customer specifications
- Focus on upgrading production culture and adopting lean production standards

Agriculture Business

- Conducting internal audits of elevators in terms of product quality
- Analysing the need and conditions for connecting express analysers at storage locations into a unified FOSS network
- Considering the replacement of manual quality control methods with methods involving automated equipment
- Ensuring reproducibility of quality indicators at all stages of the production process and during supplier and customer interactions
- Ensuring data entry into the Federal Grain Inspection Service system

ROS AGRO

⊎

CUSTOMERS ENGAGEMENT

Effective communications with customers is a crucial tool in improving the quality of the products supplied. For this reason, each of Rusagro's business segments gives much attention to complaints and requests from customers and consumers.

Meat Business

In the Meat Business, claims management falls under the jurisdiction of the Customer Service Department, which structurally belongs within the Logistics Department. The common tools employed by the Customer Service Department to collect and process claims include a hotline, general e-mail and feedback forms on the product brands' websites. All submissions and calls are recorded in a digital system to make their analysis and processing more efficient. Every month the Department draws up an analytical report on recorded complaints.

Most of complaints received can be divided into five categories: non-compliance with the product specification stated; weight non-compliance; excess delivery; quantity non-compliance of products shipped; and individual packaging integrity non-compliance.

Oil and Fats Business

Rusagro's Oil and Fats Business has the Operational Support Service, a part of the Operational Directorate to cover the customer relations. The claims management of the Service is compliant with ISO 10002 and includes the processing of return requests, customer complaints and other customer requests. Available feedback options are website, e-mail, postal service or telephone line.

The majority of complaints received in the reporting year concerned documentation errors and price discrepancies.

Sugar Business

The interaction channels with the Sugar Business's customers include e-mail and telephone service. Electronic document exchange is a preferred and widespread way of interaction with network customers. Feedback from retail customers is collected centrally: contact information including email address, website address and office telephone number is given on product packaging.

The Sugar Business carries out an automated customer satisfaction survey at least once a year.

Agriculture Business

The Commercial Function of the Agriculture Segment is also responsible for communications with customers and partners, usually via postal service. There is a plan to create a spot and future trading exchange to support the tendering process.

 \supset

Q

 \square



RISK MANAGEMENT

In pursuance of greater customer and consumer satisfaction, Rusagro closely monitors emerging product quality risks and tailors appropriate measures to prevent or minimise them.

Meat Business

Risk	Management activities
Product spoilage before the end of the actual shelf life declared by the producer	Sanitisation of production sites, including daily washing and disinfection of equipment and infrastructure. Monthly sanitation day for the complete treatment of the plants. The Quality Service and responsible units carry out an acceptance inspection of the workshops after each sanitation
	Procedures to improve sanitary conditions in the workplace include the issuance of clean protective clothing and personal protective equipment, washing and sterilisation of work tools, showering and hygiene treatment for staff on a daily basis. The Quality Service performs regular hygiene checks every shift
	Control of process-related parameters, including control of compliance with specifications, exposure time and temperature of finished products, as well
	as room temperature and humidity conditions

Annual risk reassessment is conducted by the Food Safety Group (HACCP); it can be carried out off-schedule in case of any changes in the technology or laws of the Russian Federation and the Eurasian Economic Union (EAEU).

Sugar Business

Risk	Management activities
Higher sugar outlet temperatures due to insufficient cooling capacity of the production line and inadequate storage conditions in the warehouses increase the likelihood of caking of finished products	Repair and upgrade of sugar refrigeration systems in plants and installation/upgrade of air conditioning systems in warehouses
Foreign particles in the products due to corrosive wear of syrup collectors and product pipelines, deterioration of the silo lining	Timely repair/renovation of collectors and silos

There is also a system of activities rolled out to the entire business segment, which is meant to improve control by the Quality Control Department, audit the food safety culture, and check that plants implement preventive and corrective product quality measures, as well as a revision of quality and food safety risk analyses.

Agriculture Business

Risk	Management activities
Poor quality of products received from the fields	Enhanced incoming product quality control – inspection of each vehicle
Unsatisfactory condition of batches awaiting conditioning	Periodic control
Deterioration of long stored batches	Periodic control at storage locations
Poor quality of product shipped	Enhanced incoming inspection of goods shipped – inspection of each vehicle

Q

 \square



Oil and Fats Business

Risk	Management activities	
Risks related to government and regulators		
Changes in industry-specific legislation in consumer countries	Continuous monitoring and tracking of possible changes in legal and regulatory	
Lack of knowledge and non-compliance with laws and regulations due to incomplete external and internal documentation	 requirements Updating regulatory documents to accommodate the changing requirements, using the latest versions of standards, 	
Pecuniary sanctions or blockage of products produced	regulationsTimely notification of interested departments of forthcoming changes in requirements	
Supplier-related risks		
Supply of products purchased that do not meet quality and safety standards	Conducting quality control of purchased products, including by third-party accredited	
Release of substandard products into free circulation without or with consumer health hazard	 laboratories, at prescribed intervals Continuous quality control of products by internal and external control bodies 	
Infliction of harm to consumer health and potential damage to the company's image and reputation	 Periodic testing of finished products by third- party accredited laboratories 	
Personnel-related risks		
Assignment of ineffective and inefficient corrective actions	Recording of planned corrective actions Continuous monitoring of the corrective	
Failure to implement preventive and corrective actions or to development and implementation of ineffective corrective actions	 Monthly performance monitoring of preventive and corrective actions 	
Re-occurrence of non-conformities, release of non-conforming products into free circulation		

Risk	Management activities	
Risks associated with partners and outsourcing		
Bioterrorism and sabotage	Entrance coded locks at the production	
Release of substandard products into free circulation without or with consumer health hazard	workshops • Video surveillance	
Risks related to the internal control system		
Inadequate internal control system	Reconsideration of the monitoring frequency	
Release of substandard products into free circulation without consumer health hazard	as necessary	
Customer-related risks		
Cross-contamination related to the acceptance of returned products that are overdue for sale	Reception of returned products for storage in a separate warehouse for isolation and	
Infliction of harm to consumer health and potential damage to the company's image and reputation	subsequent disposal purposes	

According to the risk assessment methodology adopted in the Oil and Fats Business, existing risks re-assessment is done once a year as a preparation for management's review of the integrated quality management system. The working group decides whether the risk persists, assesses its level and new status for the following year, or whether the risk should be removed from the risk register.

 \supset

Z

M ROS AGRO

Each of Rusagro's business segments defined an individual list of key performance indicators for quality management for 2021.

Meat Business

Key performance indicators established for the Company's Meat Business in 2021 cover the re-certification of the food safety management system and the minimisation of identified non-compliances of finished products and negative feedback from customers.

At the end of 2021, the Meat Processing Plant Quality Service in the Tambov and Belgorod Regions completed the digitalisation of the sanitary condition monitoring system for production areas and external territory of the BRAMS plant, involving the creation of a special software and the purchase of tablets to generate a checklist accommodating the priority requirements of production and the convenience of results analysis.

LCC Tambovsky Bacon taste-tester training

In 2021, 21 employees of Tambovsky Bacon underwent training at the Gorbatov Federal Research Centre for Food Systems. Fifteen of them successfully passed the final testing and received a selected taste-taster certificate - they are now entitled to professionally assess organoleptic characteristics of products.

The certificates obtained by the employees are valid for two years (until 2023), thus eliminating the need for additional external training in the near future. Internal training of the taste-taster certificate holders for the new product lines is scheduled for 2022.

Sugar Business

The KPIs of the Sugar Business Unit's Quality Service were primarily focused on reducing the number of customer complaints in relation to the quality of products supplied and certification of all production sites for compliance with FSSC 22000 and GMP+ standards.

The reporting year saw the implementation of a critical production parameter monitoring system running during the season at all of the Company's production sites to respond promptly to arising problems.

Agriculture Business

Similar to other business segments, the main efforts of the Agriculture Business's Quality Service were focused on the overall improvement of finished product quality and customer satisfaction. The Service's KPIs in 2021 were aimed to increase profits through higher product quality and reduce the number of negative feedback and counterparty complaints in relation to quality.

In 2021, the Agriculture Segment installed and made a trail run of an in-line analyser designed to control quality characteristics in the flow (protein). Some of the commodity flows were equipped with the necessary laboratory equipment, allowing the examination of quality characteristics of products at storage sites with a reduction of third-party involvement in this process. The Company also completed the first phase of a project to equip some of its storage facilities with automated product samplers.

80

2021 HIGHLIGHTS

Oil and Fats Business

Quality KPIs defined for 2021 in Rusagro's Oil and Fats Business cover overall improvements in finished product quality and a reduction in the number of customer quality claims and work-related incidents.

As Oil and Fats Business's production sites were to be re-registered as new legal entities, the Quality Service carried out extensive work to enter the new legal entities into the Mercury and Cerberus systems. The Service also obtained new approvals for finished products.

To facilitate the work with third-party suppliers, Rusagro established a mobile oilseed rapid quality assessment station in 2021. The Company audited the Evyap terminal in Turkey for sampling and determination of tropical oil quality indicators. The Quality Service of the Oil and Fats Business conducted nine supplier audits last year to assess the quality of products and services procured by the Company.

In 2021, there were no violations identified that resulted in fines, other penalties or warnings being imposed on the Company, as well as no violations of Rusagro's internal regulations and no violations recorded by state supervisory authorities.

Automation of the Bezenchuksky oil extraction plant

In the first quarter of 2021, Rusagro automated its last oil extraction plant, which previously used to accept raw materials in manual mode. All laboratory analysis data can be now automatically entered into a database, eliminating the possibility of subjective intervention, and all agreed adjustments are applied automatically as well. The final results of the season are now predictable and manageable, and the reporting format is more user-friendly.

Interlaboratory control

In 2021, seven sessions of interlaboratory controls were carried out between the laboratories of LLC Rusagro-Atkarsk, LLC Rusagro-Balakovo, JSC Samaraagroprompererabotka with the involvement of the Training and Research Laboratory to determine the quality of food and agricultural products at Saratov State Agrarian University named after N.I. Vavilov. Compliance for all participating laboratories was 99.83% in the reporting year.

Automatic samplers

In 2021, Rusagro made it halfway on a project to equip oil extraction plants with automatic samplers, on the Atkarsk site – for oilseeds, in on the Bezenchuk site – for oil, and at the Balakovo site – for meal.

These sites are pioneers needed to work out the details of the project and then roll out the results obtained to other sites in Rusagro's Oil and Fats Segment. The use of samplers will eliminate the human factor in sampling and increase sample reliability.

PLANS FOR 2022

To meet customers' needs and provide them with high-quality food, Rusagro intends to further improve and develop its management and quality control system. In 2022, the Company will continue with the ongoing projects of its business segments. And moreover, there is a number of new activities and innovations we have in mind to improve the quality of our products.

Corporate governance factors of sustainability/ PRODUCT QUALITY AND CONSUMER SAFETY

USAG

Q

[3



STATEMENT BY THE CEO 02 **OVERVIEW OF ESG RESULTS**

03

ESG REPORT

APPENDICES

GRI index table

Contact information

0

GRI INDEX TABLE

GRI 102-55

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 102-1	Name of the organization	About the Report
GRI 102-2	Activities, brands, products, and services	Business model, p.18 in the Annual Report Brands, p.13 in the Annual Report
GRI 102-3	Location of headquarters .	Contact information, p.88
GRI 102-4	Location of operations	Geographic footprint, p.20 in the Annual Report
GRI 102-5	Ownership and legal form	Legal structure, p.28 in the Annual Report
GRI 102-6	Markets served	Sales geography, p.22 in the Annual Report
GRI 102-7	Scale of the organization	Key results, p.12 in the Annual Report
GRI 102-8	Information on employees and other workers	Human resources management, p.23
GRI 102-9	Supply chain	Supply chain, p.69
GRI 102-10	Significant changes to the organization and its supply chain	Supply chain, p.69
GRI 102-12	External initiatives	Contribution to the UN SDGs, p.55
GRI 102-13	Membership of associations	Membership of associations, p.62
GRI 102-14	Statement from senior deci- sion-maker	Statement by the CEO, p.3
GRI 102-15	Key impacts, risks, and opportunities	ESG risk management, p.78

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 102-16	Values, principles, standards, and norms of behavior	Mission, vision, values and strategy, p.53 Business ethics and compliance, p. 67
GRI 102-17	Mechanisms for advice and concerns about	Feedback channels, p.68
GRI 102-18	Governance structure	Structure of management and control bodies, p.126 in the Annual Report
GRI 102-19	Delegating authority	Structure of management and control bodies, p.126 in the Annual Report
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	ESG risk management, p.78
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder relations, p.60
GRI 102-22	Composition of the highest governance body and its committees	Diversity in the composition of governing bodies, p.64
GRI 102-23	Chair of the highest governance body	Structure of management and control bodies, p.126 in the Annual Report
GRI 102-24	Nominating and selecting the highest governance body	Nomination of new Board members, p.65
GRI 102-25	Conflicts of interest	Business ethics and compliance, p.67
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Mission, vision, values and strategy, p.53
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Mission, vision, values and strategy, p.53

0 \simeq

O 0

S

ROS AGRO PLC

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 102-32	Highest governance body's role in sustainability reporting	About the Report
GRI 102-35	Remuneration policies	Remuneration to the members of the Board of Directors, p.65
GRI 102-40	List of stakeholder groups	Stakeholder relations, p.60
GRI 102-41	Collective bargaining agreements	There were no collective bargaining agreements in force in 2021
GRI 102-42	ldentifying and selecting stakeholders	Stakeholder relations, p.60
GRI 102-43	Approach to stakeholder engage- ment	Local community relations, p.47 Stakeholder relations, p.60
GRI 102-44	Key topics and concerns raised	Stakeholder relations, p.60
GRI 102-45	Entities included in the consolidated financial statements	Appendices, p.156 in the Annual Report
GRI 102-46	Defining report content and topic Boundaries	About the Report
GRI 102-47	List of material topics	Judgement of materiality
GRI 102-48	Restatements of information	The ESG Report is published under the GRI reporting system for the first time.
GRI 102-49	Changes in reporting	The ESG Report is published under the GRI reporting system for the first time.
GRI 102-50	Reporting period	About the Report
GRI 102-51	Date of most recent report	About the Report
GRI 102-52	Reporting cycle	About the Report

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 102-53	Contact point for questions regarding the report	Contact information, p.88
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the Report
GRI 102-55	GRI content index	GRI index table, p.84
GRI 102-56	External assurance	About the Report
GRI 103. Managen	nent approach	
GRI 103-1	Explanation of the material topic and its Boundary	About the Report Judgement of materiality
GRI 103-2	The management approach and its components	Sustainable development approach, p.56 The management approach is also presented in the ESG Report before each material topic is disclosed.
Material topics		
GRI 200. Economi	ic topics	
GRI 201. Economi	c performance	
GRI 201-1	Direct economic value generated and distributed	Financial review, p.112 in the Annual Report
GRI 201-2	Financial implications and other risks and opportunities due to climate change	ESG risk management, p.78
GRI 202. Market presence		
GRI 202-2	Proportion of senior management hired from the local community	Human rights, p.37

0

0

O

S

ROS AGRO PLC

GRI INDEX TABLE

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 203. Indirect	economic impacts	
GRI 203-1	Infrastructure investments and services supported	Social investment and charitable projects, p.45
GRI 203-2	Significant indirect economic impacts	Social investment and charitable projects, p.45
GRI 205. Anti-cor	ruption	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption, p.68 Code of Business Conduct and Ethics, p.127 in the Annual Report
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-corruption, p.66
GRI 300. Environr	mental topics	
GRI 302. Energy		
GRI 302-1	Energy consumption within the organization	Energy management and energy efficiency, p.15
GRI 302-3	Energy intensity	Energy management and energy efficiency, p.15
GRI 303. Water ar	nd effluents	
GRI 303-3	Water withdrawal	Impacts on water resources, p.7
GRI 303-4	Water discharge	Impacts on water resources, p.17
GRI 303-5	Water consumption	Impacts on water resources, p.17
GRI 305. Emission	ns	
GRI 305-1	Direct (Scope 1) GHG emissions	Climate change and impacts on the atmosphere, p.13
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate change and impacts on the atmosphere, p.13

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 305-4	GHG emissions intensity	Climate change and impacts on the atmosphere, p.13
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Climate change and impacts on the atmosphere, p.13
GRI 306. Waste		
GRI 306-3	Waste generated	Waste management, p.19
GRI 306-4	Total weight of waste diverted from disposal, and a breakdown of this total by composition of the waste, by recovery operations (separately for hazardous and non-hazardous waste), by place of disposal (onsite and offsite)	Waste management, p.19
GRI 306-5	Total weight of waste directed to treatment and landfilling, and a breakdown of this total by composition of the waste, by by handling type (separately for hazardous and non-hazardous waste), by place of disposal (onsite and offsite)	Waste management, p.19
GRI 307. Environm	ental compliance	
GRI 307-1	Total amount of fines imposed for non-compliance with laws and regu- lations and number of environmen- tal improvement notices	Environmental management system, p.10
GRI 400. Social to	pics	
GRI 401. Employment		
GRI 401-1	New employee hires and employee turnover	Recruitment process, p.29
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Retention and motivation, p.33

0



GRI INDEX TABLE

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 402. Labour/m	nanagement relations	
GRI 402-1	Minimum notice periods regarding operational changes	Human rights, p.37
GRI 403. Occupation	onal health and safety	
GRI 403-1	Occupational health and safety management system	Occupational health and safety, p.38 Risk assessment and injury preven- tion, p.39
GRI 403-3	Occupational health services	Employee health, p.42
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Risk assessment and injury prevention, p.39 Safety culture, p.41
GRI 403-5	Worker training on occupational health and safety	Safety culture, p.41
GRI 403-6	Promotion of worker health	Retention and motivation, p.32 Employee health, p.42
GRI 403-7	Prevention and mitigation of occu- pational health and safety impacts directly linked by business relation- ships	Employee health, p.42
GRI 403-8	Workers covered by an occupation- al health and safety management system	Occupational health and safety, p.38
GRI 403-9	Work-related injuries	Accident frequency rates, p.41 Managing major occupational injury risks by business, p.42
GRI 403-10	Work-related ill health	Employee health, p.42

GRI number	Disclosure of information in the Report	Page number or link to a Section in the Report
GRI 404. Training and development		
GRI 404-1	Average hours of training per year per employee	Training and development, p.35
GRI 404-2	Programs for upgrading employ- ee skills and transition assistance programs	Training and development, p.35
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Retention and motivation, p.33
GRI 405. Diversity and equal opportunity		
GRI 405-1	Diversity of governance bodies and employees	Human resources management, p.23 Diversity in the composition of go- verning bodies, p.64
GRI 405-2	Ratio of basic salary and remuneration of women to men	Human resources management, p.23
GRI 413. Local communities		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Support of local communities, p.44

ROS AGRO PLC

CONTACT INFORMATION

Full corporate name

Public Company Limited by Shares ROS AGRO PLC

Abbreviated name

ROS AGRO PLC

Full corporate name in Russian

РОС АГРО ПЛС

Legal address

ROS AGRO PLC 25 Aphrodite Street, 3rd floor, Office 300, CY–1060 Nicosia, Cyprus

LLC Rusagro Group of Companies Studenetskaya Naberezhnaya street 20V., office 303, Tambov

Contact of IR & ESG Director

Svetlana Kuznetsova Tel.: +7 495 363 16 61 Email: ir@rusagrogroup.ru

Independent auditors in Russian Federation

JSC KPMG 10 Presnenskaya Nab., Moscow, Russia, 123112

Independent auditors in Cyprus

KPMG Limited Chartered Accountants 14 Esperidon Street, 1087 Nicosia, Cyprus

Depository

The Bank of New York Mellon One Wall Street, New York, New York 10286, United States of America

Company website

Russian: www.rusagrogroup.ru English: www.rusagrogroup.ru/en





