

STAKEHOLDER ENGAGEMENT

RELATIONSHIPS WITH STAKEHOLDERS ARE AN IMPORTANT ELEMENT IN M.VIDEO-ELDORADO GROUP'S SUCCESS IN TERMS OF ITS OPERATIONAL AND FINANCIAL RESULTS, AS WELL AS ITS NON-FINANCIAL GOALS.




Our stakeholders include any individual or organisation with an interest in what we do. In addition, we include among our stakeholders individuals and organisations that may be affected by our activities, as well as those that can influence the Group's decisions.

The Group strives to be proactive in its engagement with stakeholders and to build open, respectful and mutually beneficial relationships with them, as well as to inform them in a timely manner about challenges, achievements and events taking place within the Group. It is very important for the Group to understand the values and needs of all its stakeholders.

M.Video-Eldorado Group has an internal regulatory framework that governs stakeholder engagement: The Policy on Stakeholder Engagement specifies a common approach to managing relationships with stakeholders. Certain aspects of stakeholder engagement are also governed by internal documents such as the following:

- Regulation on Auditing Counterparties;
- Policy on Non-commercial Procurement;
- Regulation on the Tender Committee;
- Code of Business Ethics;
- Regulation on the Ethics Committee;
- Corporate Governance Code;
- Policy on Charity, Sponsorship and Donations.

Partners

-  **Reliable long-term collaboration**
-  **Exclusive all-Russia contracts**
-  **Total Quality Management**

Goals of engagement

- Developing long-term relationships with suppliers and other counterparties in order to ensure the high quality of the Group's product and its long-term competitiveness;
- Raising awareness among partners of the Group's activities, plans and long-term development;
- Improving communication with partners, finding and introducing new tools and channels of interaction;
- Supplier diversification;
- A common understanding of mutual obligations and expectations from cooperation.

Value creation

- The Group is a reliable partner and a major counterparty for a wide range of suppliers;
- The Group adheres to high standards in the areas of quality control and corporate behaviour, and it requires compliance with these same standards on the part of suppliers;
- The introduction of state-of-the-art IT solutions to improve automation and efficiency in the supply chain.

Forms of engagement

- Periodic meetings and participation in specialised events;
- Development of the Group's proprietary supplier system;
- Dialogue with suppliers, surveys conducted among suppliers.

Customers

-  **Best products for reasonable price**
-  **Healthy competition**
-  **Technologies for unique customer experience**

Goals of engagement

- Increasing awareness of the M.Video and Eldorado brands;
- Providing customers with important information about new products, services, special offers, etc.;
- Building trust and open relationships with customers before, during and after they make a purchase;
- Getting feedback from customers to further improve product lines and services;
- Informing customers about the Group's efforts to solve ongoing social and environmental problems.

Value creation

- Creating a new, mobile Internet-based consumer experience;
- Providing convenient formats and tools for making purchases, creating a single service space for our customers at our retail locations and in our online stores;
- Enabling customers to access the latest technology and leading brands.

Forms of engagement

- Communication through websites and mobile applications;
- Marketing through social networks;
- Publication of information about the Group in specialised and business media;
- SMS and email marketing;
- Providing customers with on-site advice at stores.

Investors

Market leadership

-  **Public transparent business**
-  **Best corporate governance**
-  **Best-in-class EBITDA margin**

Revenue grows **1.5x** Net Income **doubles** in 3 years

Goals of engagement

- Raising awareness of the Group's investment case and its development, facilitating the growth of the Group's market capitalisation;
- Disclosing information about the Group's ongoing activities, the implementation of its development strategy, financial and non-financial indicators;
- Expanding and diversifying the Group's investor base to ensure that the Company has access to a wide range of capital market instruments;
- Receiving feedback from the investment community, generating new ideas through dialogue with investors;
- Informing the investment community about the Group's efforts to ensure the sustainability of its business.

Value creation

- Implementing a growth strategy in order to strengthen the Group's market position and realise its investment potential;
- Diversifying the shareholder base: a division of the Ceconomy – MediaMarktSaturn Retail Group has become a shareholder of PJSC M.Video;
- Remaining committed to high standards of transparency and corporate governance.


Forms of engagement

- Meetings with investors in the framework of investment conferences, roadshows, etc.;
- Conference calls concerning financial results;
- Analysis of investors' perception of the Company;
- Conducting a dialogue with analysts;
- Press releases, reports published as part of mandatory information disclosure;
- Annual general meetings of shareholders and mandatory reporting;
- Corporate website;
- The inclusion on the Board of Directors of three independent directors who protect the interests of shareholders.

Society

In top-10 best employers in Russia

28,000 employees **220 cities**

-  **Best HR brand in Retail 2018 (M.Video)**
-  **Corporate Social Responsibility practices**

Goals of engagement

- Ensuring a positive perception and understanding of the Group's operations;
- Creating a corporate culture that meets the Group's strategic goals;
- Ensuring a well-founded and effective system of staff incentivisation, creating opportunities for the professional development of our employees;
- Maintaining a constructive dialogue with Group personnel;
- Finding solutions to ongoing social problems and environmental issues at the local and global levels; adopting measures aimed at meeting the needs of society;
- Helping protect the health of employees and of people who have contact with the Group in one way or another;
- Maintaining a dialogue on issues related to state regulation of the industry and possible changes in the regulatory sphere that could affect the Group's operations.

Value creation

- The Group is carrying out a number of social and environmental projects that are having a long-term positive impact on society;
- We regularly exchange experience and knowledge with key Group stakeholders and strive to set trends;
- The Group pays a great deal of attention to innovative development, directing significant resources to the development and implementation of new technologies;
- The Group offers attractive opportunities for career growth, professional development, a fair wage and incentives.

Forms of engagement

- Implementation of environmental protection programmes;
- Implementation of social projects;
- Participation in activities and initiatives on the part of associations and industry and business organisations;
- Work with the mass media and social media;
- Surveys conducted among employees, presentations, internal communications;
- Anonymous feedback from parties that interact with the Group.