

President and CEO's Statement

Dear Reader,

A year has gone since we launched our Sustainability Strategy "Retail with Purpose" and published our first Sustainability Report. And what a year it has been with the Covid-19 pandemic bringing many extra challenges to the way we conduct our business and service our millions of customers.

We have used the time since launching to really build the foundations of a systematic business process driven approach of Sustainability throughout the organization. Last year was very much about measuring and building base cases, for example we had our first company wide Health & Safety Audit, Corporate Governance Audit and Employee Satisfaction Survey, by the way showing results that I am very pleased with as we had an overall satisfaction rate of 72.6% in the middle of a pandemic and at the back end of a multi year transformation program.

It was also a year of launching pilots, like testing LNG and electric trucks for deliveries, Green Office and Green Store projects as well as launching many projects to achieve our stated targets in all five of our focus areas: Environment, Sustainable Supply Chain, Employees, Communities and Health & Wellness.

But 2020 was also about achieving some very good results from our initial efforts. We were able to show significant reductions in food waste as well as waste overall and we are on the right track when looking at Scope 1&2 CO2 emissions, water consumption and employee turnover.

But I think I am most proud of the whole Magnit team on how we responded to the pandemic and how the team stretched itself to make sure our shelves never went empty and our employees and customers were kept safe. The logistical efforts in redesigning stores to include all necessary safety measures and personal protection equipment in a matter of days and weeks was admirable. Additionally we reached out to help the communities we operate in, delivering over 350 000 free food parcels, giving out over 150 000 discount loyalty cards to front line health workers, delivering coffee and other products to hospitals and using volunteer employees to deliver groceries to elderly and vulnerable people.

We understand that we can't do all of this effectively by ourselves — that's why we are reaching out to various partners, stakeholders and industry associations to team up to achieve results better and faster. One of the main partners are our suppliers, with whom we have already several joint programs ongoing and we just launched a wide Coalition for Healthy Living with 7 major suppliers to help our consumers and employees to embrace healthy habits in both food and non-food areas by raising awareness, providing healthier products as well as engaging with relevant governmental stakeholders to enforce the message. And you will see more announcements of this nature later on in the year.

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I feel very strongly about Sustainability. To me, this is running Magnit in a way that benefits our stakeholders, be it customers, suppliers, employees or shareholders as well as the environment, thus ultimately making good business sense and positively effecting the bottom line.

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I have been pleased to see that the various rating agencies in the ESG sphere have noticed our efforts and we have seen some good progress and upgrades of our ratings.

I would like to also thank our Board of Directors for their active engagement in the topic and all of my over 300000 colleagues on the way they have embraced sustainability issues and the enthusiasm in the way our initiatives are being driven forward.

But of course our work is far from done, we have an extensive plan for the next 4 years of our Strategy while the issues of ESG are continuously evolving and new requirements being added. Going forward we will continue to work hard on all of our focus areas but in 2021 we will put even extra effort on Healthy Living, waste recycling and building the basis for sustainable supply chains, all areas where stakeholder feedback shows high current interest.

I look forward to us continuing to lead the way forward on sustainability for our industry in 2021 and years ahead.

Jan Dunning

President and CEO of Magnit