



CARE

RESPONSIBILITY

2

Our response
to COVID-19

RETAIL WITH PURPOSE
COMMUNITY RESPONSIBILITY
CARE ECOLOGY
ECOLOGY HEALTH RESPONSIBILITY
CARE COMMUNITY ECOLOGY
RESPONSIBILITY CARE

Our response

to COVID-19

On 11 March 2020, the World Health Organization (WHO) declared the outbreak of the novel coronavirus (COVID-19) a global pandemic. The staggering spread of COVID-19 in 2020 both in Russia and worldwide has taken its toll on the economy and business.

A COVID-19 Task Force was set up to rapidly address any issues arising as a result of the pandemic. Almost immediately after learning about the threat of mass infection, Magnit took measures to protect the well-being of its people and customers.

Support for employees

More than 17 thousand protective screens were installed at checkouts across of the "at home" format, supermarkets and drogeries. To keep its staff and customers safe, Magnit revised the cleaning schedule to ensure more frequent disinfection of retail areas, shopping trolleys, and tills and other equipment. The Company introduced special floor markings and signage across its store estate, urging shoppers to maintain social distance. All sampling testers for beauty and skincare products were removed from drogeries to avoid skin contact. Other measures included more frequent disinfection of distribution centers, availability of disinfectants and sanitizers at all logistics centers, limited staff movement between facilities and a new shift schedule to limit the risks of coming into contact with infected people.

With the high impact that retail has on the life of Russian citizens, especially during lockdown, our staff are now at the frontline of feeding the nation. We keep our people up-to-date on safety precautions and steps they must take in the face of the threat brought by the coronavirus. We introduced daily temperature checks for our staff and provided each worker with personal protective equipment, such as face masks, gloves, hand sanitizers, etc.

We approved the following measures to support our employees:

- We continue to pay salary to furloughed pregnant employees and workers aged 65 and above
- We pay a hard-work bonus
- We shuttle our employees to and from work in regions with restricted access to public transport or in the event of changes in the work schedule

In all, 85% of office staff were switched to remote working.

Not only are we looking out for our own teams, but we are also giving a helping hand to the teams of other employers who had to suspend operations due to the coronavirus: we urgently hired 2,500 laid-off employees of around 20 companies, such as Burger King, KFC, Shokoladnitsa, Sportmaster, airport operators and other entities.

With new talent coming on board, Magnit has maintained stable operations and service continuity in these challenging times and provided a source of income for workers made redundant at other companies.

Support for communities

Due to COVID-19 restrictions, not all customers were able to have their expired bank cards re-issued in a timely manner, so we temporarily accepted expired bank cards from shoppers, thus enabling them to continue to make cashless payments and minimize contact with cash.



We spent a total of
RUB 1.5 billion

to support our employees, customers, health care workers and local communities

Amid growing demand for essential goods, Magnit increased shipments from distribution centers by 20% to ensure that its store shelves remain full. Magnit also increased inventory levels across all product categories and doubled its stock of socially significant food products at distribution centers. We remain in close contact with the Russian Ministry of Industry and Trade and follow its recommendations to keep the stock at an appropriate level. Some delivery and distribution infrastructure that serves around 2,500 multi-format stores in Moscow and Moscow Region operated at night to ensure 24/7 supply and to meet customer needs.

To support socially vulnerable customers during the pandemic, Magnit, X5 Retail Group and Metro Cash&Carry decided to sell certain essential goods with no markup. Each retail chain determined a list of essential food products in the "first price" segment (consisting of at least 10 items in groceries, fruit & veg and perishable categories), which were then offered to customers without a trade margin, i.e. at the same price the chain pays to the manufacturers. This initiative has helped to maintain food security during challenging economic times.

During the lockdown, Magnit also offered a 10% discount on every purchase to social volunteers, community care workers and retirees.

According to a new report by the Boston Consulting Group (BCG) and the Romir research holding, Russian Consumers and the New Economic Reality, Magnit was rated the fourth-favorite consumer brand during the COVID-19 pandemic.



For details about our initiatives to help local communities and health care workers, see [Chapter 6, Communities](#).