



CARE
RESPONSIBILITY

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Sustainable sourcing

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

Building a responsible supply chain is high on Magnit's agenda. We seek to partner with those companies that conduct business in a fair and transparent manner and observe all labor, environmental, ethical and social standards.

In its Sustainability Strategy 2025, Magnit defined a number of focus areas and set the corresponding goals it is committed to achieve in each of these areas by 2025.

Magnit's supply chain includes over 5,800 suppliers within and outside Russia. We expect our suppliers to share our sustainability principles and values.



On the sustainable sourcing front, we have the following commitments:

100%

responsible sourcing for socially important product categories

BEGINNING THE JOURNEY

Development and partnership programs for local suppliers and farmers

BEGINNING THE JOURNEY

Responsible sourcing for commercial and non-commercial purchases

BEGINNING THE JOURNEY

100%

responsible approach to own production and agriculture

SUBSTANTIAL PROGRESS

Increased use of green packaging

BEGINNING THE JOURNEY



Responsible sourcing

Magnit is building a robust framework for responsible sourcing that will help effectively manage environmental, social and commercial risks across the entire supply chain.

The Responsible Supply Chain Policy regulates the Company's activities in this area. The Magnit PJSC Supplier Sustainability Declaration (SSD) will outline Magnit's expectations regarding the sustainability efforts of prospective suppliers. It contains a list of voluntary commitments covering a range of aspects (human rights, responsible labor practices, occupational health and safety, etc.). Each prospective supplier is expected to sign an SSD to reaffirm its commitment to our sustainability principles and values.

A list of voluntary certification systems is designed to provide an understanding whether a given supplier is committed to responsible manufacturing (tracing the origin of raw materials, etc.).

Following a comprehensive assessment of a prospective supplier, Magnit forms an opinion on its sustainability performance. A favorable opinion may serve as an additional competitive advantage during the bidding process, especially when equal offers are considered.

The sustainability checklist is an assessment tool used to rate suppliers against a set of ethical, social and environmental criteria. It contains a list of questions that give an understanding of the prospective supplier's performance along key sustainability metrics.



In 2020, the Company put together a Responsible Supply Chain Policy and is now introducing the following tools that are set to support responsible sourcing:

Magnit PJSC Supplier Sustainability Declaration

A sustainability checklist

A list of voluntary certification systems

Effective communication with suppliers

Partnership is a critical link of a responsible supply chain, and it is therefore vital to maintain an ongoing dialogue with all counterparties.

Magnit builds relations with suppliers using the following mechanisms:

- Joint projects involving the manufacture and use of eco-friendly products and packaging (including for PL brands)
- Responsible sourcing and procurement, developing local suppliers and farmers
- Sustainability training for suppliers with the involvement of market experts
- Joint social and charity campaigns
- Regular procurement sessions

Magnit became the first among Russian retailers to start transition to electronic contracts in an effort to optimize contracting practices: now it takes only 2 minutes to check the required documents (instead of 40), contracts are registered automatically, and all documents are exchanged online. Preliminary estimates suggest that this initiative will help to save more than one million sheets of paper over ten years.

With a view to streamlining its procurement process, Magnit has established an online smart platform, aka the Supply Relationship System (SRM), to accumulate all commercial offers in one location. This helps to build effective communication, reach out to more suppliers and optimize the procurement process. Magnit's agriculture and food processing units purchase from 10,000 to 15,000 tons of raw materials every month (more than 500 items in total). For this reason, Magnit has developed and introduced a special version of the SRM platform for raw material purchases.

Indicator	2018	2019	2020
Total number of suppliers	6,151	6,091	5,818
The total amount of purchases of goods, works and services, RUB mln (net of VAT)	1,108,080	1,274,784	1,356,755
Total purchases from local suppliers, RUB mln (net of VAT)	172,089	183,339	193,272
Share of local suppliers in purchases,%	15.53	14.38	14.25
Number of local suppliers	2,110	2,371	2,422

Currently available to nine Magnit entities, this custom-built platform is set to assess the quality of raw materials and logistics and has over 100 metrics embedded in it that no other standard SRM platform can offer. It can screen suppliers' logistics capabilities and pick up the best offers in terms of price and lead times.

Magnit has launched RetailService. Magnit, a dedicated analytical portal where suppliers can learn about products currently available across its nationwide store estate, monitor demand, analyze promotion campaigns and track items in receipts and inventory balances at distribution centers. The portal's nine modules are already accessible to 50 major suppliers. Magnit has also developed and introduced a mobile version of the portal.

Suppliers working with Magnit on deferred payment terms have gained access to fast financing from major banks and factoring companies.

This became possible thanks to the connection of Magnit to the Factorin platform, which allows you to automate the process of interaction between buyers, suppliers and factoring companies, which leads to a reduction in time and operating costs for factoring operations for all its participants. Using the platform, Magnit suppliers can receive financing from more than 20 banks and factoring companies. All of them are available on the platform in a "single window" mode. The developers of this platform paid special attention to the protection of commercial data. The data is exchanged in encrypted form.

Logistics

Building an effective supply chain is of immense importance for Magnit. It continues to expand its logistics network and optimize all related processes.

Magnit's logistics infrastructure in 2020 comprised 38 distribution centers (DC), including a newly built center in Novosibirsk and the Voronezh DC that had suspended operations a year earlier after a fire. The new¹ DC is set to serve around 450 stores in Novosibirsk Region and Altai Territory. It is estimated that it will handle c. 6,700 tons of merchandise coming from both major national suppliers and around 100 local producers.

Located in the village of Druzhelyubnyi, Krasnodar Territory, another DC qualified for a LEED[®] v4 gold certificate for warehouses and distribution centers. It was issued in 2020 by the U.S. Green Building Council.

Magnit relies on its own fleet of 4,355 vehicles, which is part of its logistics system, to deliver goods to its multi-format stores. In 2020, Magnit won the Trucks and Roads award as the best Commercial Road Freight Carrier on Domestic Routes (Heavy Commercial Vehicles).



All distribution centers were fitted with a remote temperature monitoring system in 2020, and the product temperature en-route to stores is now tracked using special sensors. Around 40% of products in the Magnit chain require maintaining special temperature conditions. The level of compliance with the temperature requirements is currently at 96% for logistics centers and 95% for the vehicle fleet, and Magnit strives to bring it to 100%. Magnit has equipped storage rooms and truck loading areas of its distribution centers with temperature sensors. The Company has also installed this new equipment inside its refrigerated trucks. After products are loaded into a truck, additional sensors are placed directly inside the packaging, which allows monitoring not only of the overall temperature in the truck, but also of the state of each individual carton.

In 2020, Magnit completed the roll-out of pick-by-voice technology at its distribution centers. Pick-by-voice allows staff in distribution centers (pickers) to follow step-by-step voice instructions received through a headset with a microphone. More than 1,000 people are now using this solution every day. It helps to reduce order picking time and freight handling costs, increase efficiency and safety, and minimize mistakes. This technology, which also allows integrating new users in any language, is set to deliver an 8% gain in both the speed and accuracy of picking tasks.

New DC will handle c.
6,700 tons
of merchandise daily

¹ Leadership in Energy and Environmental Design (LEED) is a green building certification program that includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, homes, and neighborhoods.

Deliveries

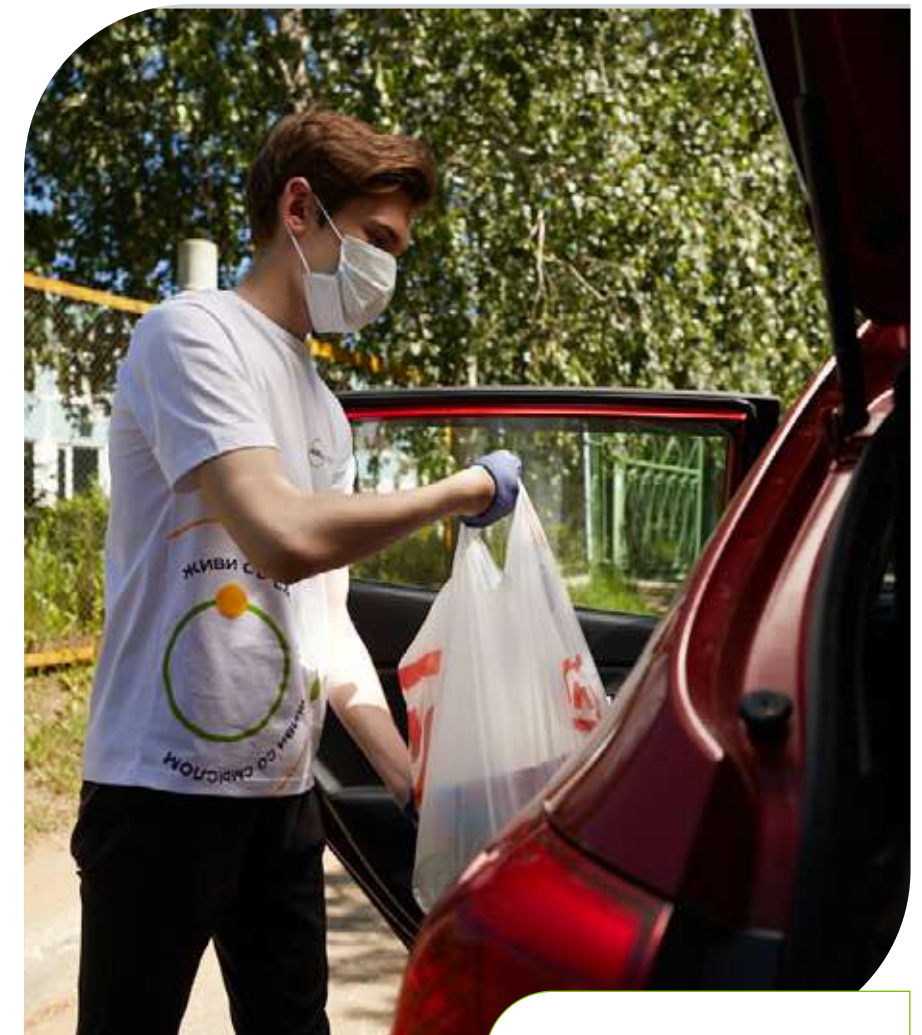
from stores to customers

In 2020, Magnit launched its own online shopping and delivery service based on the Magnit Dostavka app.

Customers can choose from more than 5,000 stock-keeping units (SKUs) available for sale online that can be delivered in just an hour's time. Alternatively, they may select the preferred time slot for delivery within the next two days.

Magnit has engaged a number of specialized shipping companies on a contract basis. In early 2020, it partnered with Pony Express, a major universal logistics operator, to launch a pilot home delivery project in 18 supermarkets in Rostov-on-Don and Volgograd. Magnit has also teamed up with Yandex Eats to start pilot food deliveries to customers from 10 convenience stores in Rostov-on-Don. All deliveries are contactless and made within a 5 km radius of the stores, which guarantees a speedy service. In late 2020, the Yandex Eats service area expanded to ten cities: Moscow, St. Petersburg, Kazan, Krasnodar, Ekaterinburg, Nizhny Novgorod, Samara, Voronezh, Novosibirsk and Ufa.

In 2020, Magnit also signed an agreement with Delivery Club, with the number of served cities and stores reaching 133 and 604, respectively, by the end of the year. Over this time, Magnit and Delivery Club have built a permanent customer base of online shoppers who make seven to eight orders each month. At the end of 2020, Magnit and Delivery Club launched a service for express delivery from Magnit Cosmetics stores in Krasnodar, Ekaterinburg, Voronezh and Chelyabinsk. In 2021, the service will also become available in Moscow, St. Petersburg and all major cities where Magnit has a presence.



Chosen units will be
delivered to customer within
60 minutes

In 2020 we served
customers online in
133
cities and delivered from
604
stores

Developing

cooperation with local suppliers

Magnit is keen on working with local producers to expand their product range and footprint.



The small farmer enterprise "Agronom" for the supply of apples did not provide packaging of products, which was one of Magnit's requirements. As a result of the work of Magnit on the development of the supplier, the farm purchased and installed a filling line. Today "Agronom" successfully supply Magnit's shelves with its products.

The share of local products across its store estate was 14% at the end of 2020, with local producers accounting for 30% of dairy products on sale, 63% of bread and bakery, 39% of pastry and 28% of meat. To encourage shoppers to buy local produce, it is tagged with a message, such as Made in Don (Kuban, etc.).

In 2020, Magnit launched a pilot project called Buy Local: part of proceeds from the sale of local produce is spent on local municipal works and services (public park cleaning, renovating buildings, maintaining play areas, etc.).

Magnit stays in close contact with local suppliers by organizing procurement sessions and participating in local fairs, exhibitions and roundtables to discuss cooperation opportunities. After hosting a first online session for partners in Perm Territory in 2020, Magnit is now planning to roll out this format to other regions where it operates. In 2020, Magnit held 33 procurement sessions in this online format.

In 2020, Magnit launched a Farmer's Court across its retail chain; it is a special shop-in-shop area offering local produce, tagged Farmer's Court, which is placed either on the side of an aisle or on the top shelf of a display stand.

In the same year, Magnit signed an agreement with Russian Agricultural Bank to support local farmers and promote their products in Magnit stores. The joint pilot projects in Tula Region and Krasnodar Territory allow the bank's customers, small local farms, to sell their produce through Magnit stores.

Since 2016, Magnit has been fostering partnership ties with local producers by expanding its supplier base. Magnit is open to cooperation with all domestic agricultural enterprises and farmers that have successfully passed its audit. The Company seeks to secure direct supplies and to control product quality along the entire food value chain, from sowing to shipping, and from the farm gate to the store shelf.

Food and non-food

product safety

Among risks facing Magnit is the quality of merchandise it produces and sells, as poor quality could erode the brand value, resulting in a loss of market share and dwindling revenues.

The Company has a dedicated function — the Quality Management System Department — responsible for maintaining the requisite quality and safety level of food and non-food products across Magnit's retail chain.

Quality is assessed against a risk matrix that defines the type and frequency of control procedures for each product group and category, depending on the number of prior quality issues and their severity. The more quality issues were revealed in the past, the higher is the risk.

All in-store products must meet the statutory requirements of the Eurasian Economic Union and Russia, corporate standards, technical specifications and the terms agreed with suppliers.

Quality assurance consists of the two main components:

- Initial control when a product is added to the product range
- Follow-up control during the receipt, storage and sale of the product

Initial control includes four phases.

Phase 1 — Defining quality requirements. This phase is mandatory for high-risk product groups and categories.

Phase 2 — Assessing product samples. Includes tasting and laboratory analyses.

Phase 3 — Site visits to gain a true insight into a suppliers' hygiene conditions and detect risks affecting product quality. If any issues are identified, the Company works with the supplier to address its concerns or take additional quality management measures.

Phase 4 — Checking the product's accompanying documents and labeling prior to adding it to the product range. This phase involves a review of the product's compliance certificates and its distinctive properties. All high-risk and imported goods are subject to checks.

The second component of quality assurance is follow-up control during the receipt, storage and sale of products. Magnit has adopted a set of internal rules and regulations to effectively control the quality of products on their way into the retail chain. All such products are subject to the following controls:

- Temperature monitoring of temperature-sensitive goods
- Visual examination of goods and packaging
- Inspection of labels
- Review of quality and safety certificates

There are two types of procedures to assess product quality:

- Regular inspections conducted in accordance with an operating schedule at intervals defined in the risk matrix for each product group
- Ad-hoc inspections conducted in the event of any reported quality issues or complaints

The operating schedule regulates scheduled quality and safety tests conducted by independent accredited laboratories (with a particular focus on problem product groups and categories). Samples are tested at both distribution centers (entry points) and stores. Non-compliant merchandise is removed from sale. In 2020, Magnit investigated around 850 quality issues that were resolved in negotiations with suppliers.

In 2020, as part of quality control, 92 audits of suppliers were carried out. 68 of them were audits of private label suppliers. In 2019, 147 audits of suppliers were carried out, of which 108 were audits of private label suppliers.

Magnit is keen to hear from all stakeholders and analyze their feedback on product quality. Around 6,000 quality issues were reported to the hotline in 2020, and every single one of them was carefully investigated by analyzing its nature and severity. Depending on the findings, the Company takes appropriate action that may include corrective measures at production sites aimed at improving product quality, designing and adopting additional quality controls, working closely with suppliers to resolve the issue, etc.



Magnit provides product quality and safety training to its employees, with dedicated training programs compiled for Magnit Family, Magnit Convenience and Magnit Cosmetics in 2020 on the basis of the Corporate Academy. It offers three sets of training materials depending on a trainee's rank, from a shop assistant/chef to a district manager.

Magnit ensures that its staff are actively engaged in quality and safety control procedures. In 2020, a special position called Quality Controller was introduced at each store to run daily routine checks, making sure that the store is kept clean and tidy throughout its opening hours, and that all products, including fresh and ultrafresh, meet quality standards,

are properly displayed and are tagged with the right price tags on the shelves, etc. Quality Controllers report to the store manager and wear a special badge, so that customers can easily spot them in the store.

Magnit conducts an annual survey of the level of customer satisfaction with the work of stores. The level of NPS (Net Promoter Score-Consumer Loyalty Index) showed positive trends throughout 2020 in all formats of our stores.

In 2020, Magnit and the Advanced Technologies Development Center (CRPT) agreed a strategic partnership in product marking and tracking. The CRPT is an operator of Chestny ZNAK, the national track & trace digital system. The partners performed a round of testing activities in 2020 to prepare for tracking and tracing dairy products in the wholesale and retail segments. Mandatory marking of milk and dairy products will be introduced in 2021. Magnit also helps in populating the Unified Catalogue of Marked Goods, which forms an important part of Chestny ZNAK, by sharing its knowledge and expertise in collecting and processing big data.

Magnit has launched its own tracking platform that will contain marking codes for products delivered to distribution centers and sold via its retail chain. The Company and its suppliers have already tested the marking of tobacco and footwear. As of the date of this Report, over 156 million marked packets of cigarettes have been sold at Magnit stores.

Magnit employs rigorous controls to ensure the quality of its private label (PL) products. Special laboratories are available at production sites to test PL products.

A food safety management system based on the HACCP principles has been introduced at the Company's production sites.

Magnit's production entities have been certified for compliance with both national and international food safety standards — GOST R ISO 22000-2007 and FSSC Version 5. TD Holding LLC, a food-processing facility in Tver, also passed FSSC 22000:2018 certification in 2020.

In 2020, Magnit's private label received both international and Russian awards.

Magnit won the Best Private Label for Food Products and the Best Private Label Department categories at the Private Label Awards ceremony in 2020.

Magnit's products scooped up 11 gold and 11 silver awards and four private label certificates at the international Quality Guarantee 2020 ceremony.

As many as 59 items were awarded the Made in Kuban high quality and food safety mark for two years by the Krasnodar Territory government in a two-phase competition in 2020. The mark also indicates that the products are made of ingredients grown in Krasnodar Territory.

In 2020, Magnit's Kuban Factory of Bakery Products LLC, Kuban Confectioner LLC and TD Holding LLC took part in the Russia's 100 Best Goods contest. As a result of regional and national selection, nine items made it to the best goods list and 14 items were awarded certificates.

Responsible

production and agriculture

The Company's own production infrastructure consists of 13 production entities and 4 agricultural enterprises across Russia.

Since the previous reporting period, Magnit has expanded its production capabilities with two packaging lines — one for cheese in Penza, and one for citrus fruit in Novorossiysk.

The total output of Magnit's 163 production facilities was around 168,700 tons in 2020, up 27% year on year (groceries, confectionery, tinned products, fish, snacks, tea and beverages).

Magnit's agricultural output in 2020 totaled around 91,000 tons, up 30% year on year, including tomatoes, mushrooms, potatoes, etc.

Magnit employed 5,600 production staff and produced 503 SKUs of private (PL) label products in 2020 — 41 more of the latter than a year earlier.

A 100% responsible approach to own production and agriculture is one of the goals of Magnit's Sustainability Strategy 2025. To achieve this goal, the Company has developed and introduced sustainable farming principles, which are underpinned by the key principles for sustainability in food and agriculture adopted by the Food and Agriculture Organization (FAO).

Magnit implements a wide range of initiatives in line with these principles. Detailed information about these initiatives is provided in the relevant chapters and sections of this Report.

Magnit's agricultural enterprises used a total area of 3,566 ha of arable land for production in 2020. Open fields are used to grow vegetables, such as beetroot, potatoes, carrots and onions (692 ha), as well as grain crops (759 ha). Magnit's agribusiness also includes two greenhouse complexes in Tikhoretsk (27 ha) and Plastunovskaya (86 ha), as well as a mushroom growing facility (2.3 ha). In 2020, it started to grow various sorts of eggplants and cocktail tomatoes, as well as Kumato tomatoes (average-sized), red oakleaf lettuce and sweet mini peppers.



Magnit has decided to be guided by the following **four principles**:

1

Protect and enhance natural resources (see Energy and water use, and Green Office)

2

Improve the quality of life through inclusive economic growth (see Inclusiveness, Developing cooperation with local suppliers and Our approach to sustainable development).

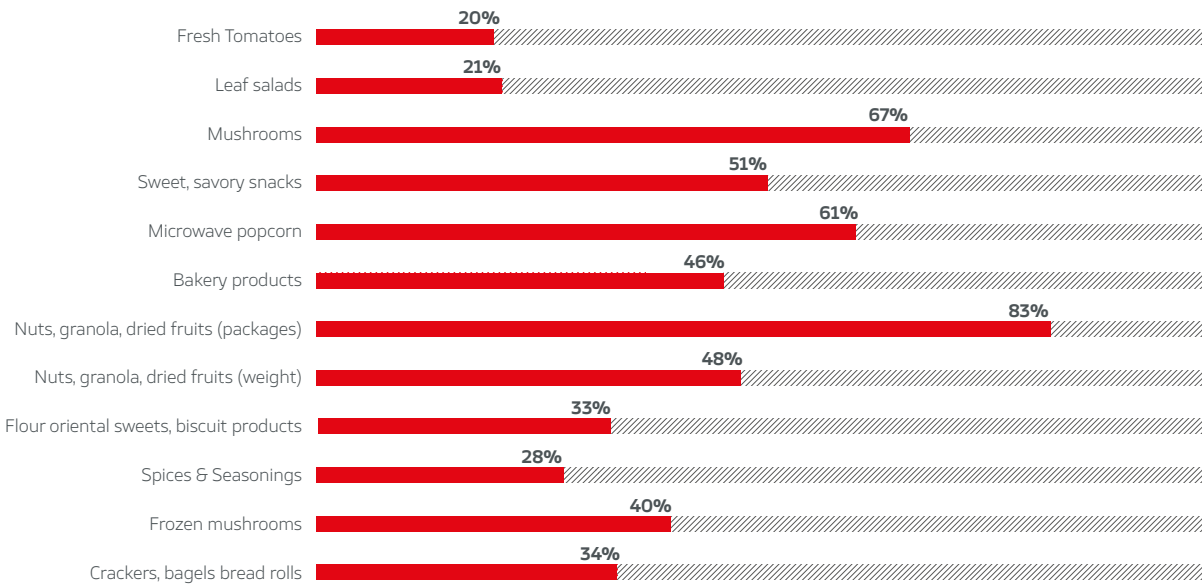
3

Enhance the resilience of people, communities and ecosystems (see Our response to COVID-19, Environment and communities, and Health and wellness)

4

Build partnerships for sustainable development (see Our approach to sustainable development)

Meeting group-wide needs for certain SKUs: PL products vs. third-party products, %



Responsible production and agriculture (continued)



Fertilizing plants with carbon dioxide captured from the boiler house gas stream

Magnit applies CO₂ fertilization technology in greenhouse agriculture cultivation. It requires keeping a close track of how crop photosynthetic rates respond to increasing levels of CO₂. Alongside a reduction in carbon footprint, CO₂ fertilization results in a 15% gain in vegetable crop yields.

This is how it works. Boiler flue gas, after being cooled in an economizer, is fed into the intake air system, where it is enriched with oxygen. The resulting air mix is then delivered to each greenhouse via underground heating pipes. The climate control system automatically adjusts the amount and concentration of CO₂, determining the right dosage required for optimal photosynthetic rates and growth conditions, and distributing it evenly inside the greenhouse.

Rather than relying on pesticides in its greenhouses, Magnit makes wide use of entomophages, such as ground beetles, pollen beetles, parasitic wasps and mites.

In 2020, Magnit launched a pilot project to rear entomophagous insects¹ at the Green Line greenhouse farm in the town of Tikhoretsk. Lab tests were performed to work out an Amblyseius swirskii breeding technique that helped grow the Amblyseius swirskii population by an order of magnitude. The mites are used at the greenhouse farm.

Magnit is the only Russian retailer with its own industrial park that spans over 236.6 ha in Krasnodar Territory. The park can host over 20 enterprises on preferential terms. Magnit has been building it using its own funds and soft loans under a program run by the Russian Ministry of Agriculture, as well as subsidies and tax breaks from the Krasnodar Territory administration and the Russian Ministry of Industry and Trade.

The park’s resident entities include Kuban Factory of Bakery Products LLC and Kuban Confectioner LLC, both big and successful companies. Magnit continues to develop the industrial park and is in talks to take new resident companies on board.

It has modern fully automated waste management and stormwater infrastructure that meets EU standards.

Each module can handle around 600 cubic meters of wastewater per day, which is enough to treat wastewater generated by a residential complex consisting of 2,000 flats (for details, see Energy and Water Use).

To reaffirm its strategic commitment to freshness in 2020, Magnit launched a first citrus fruit packaging line at its distribution center in Novorossiysk that handles most imported citrus fruit (oranges, tangerines and grapefruit). With its own facility, Magnit will no longer depend on third parties for packaging fruit and will be able to

extend the shelf life of citrus fruit, shorten their delivery times, and reduce packaging costs by about 20% per year.

The packaging line’s capacity is expected to rise to 80 tons a day. It will be used for packaging onions and other vegetables when citrus fruit is not in season.

Specific electricity consumption (excluding own power generated) by own production facilities in 2018–2020,
kWh per square meter



Specific heat consumption by own production facilities in 2018–2020,
000 Kcal per square meter



Specific water consumption by own production facilities in 2018–2020,
m³ per square meter



¹ Predatory mites and other organisms used in pest control.

Responsible production and agriculture (continued)

Magnit is the only Russian retailer that has its own mushroom growing business. Since the opening of its first mushroom complex in 2017, the sales of fresh mushrooms have been on a steady rise, with 6 746 tons grown in 2020, up 38% year on year. In 2020, Magnit launched a pilot project in collaboration with City Farmer, a resident of the Skolkovo Innovation Center, to grow shiitake mushrooms at a special farm using artificial intelligence. The farm, situated on the premises of the Krasnodar mushroom complex, is a modular prefabricated facility with an area of 120 sq. m.

More modules can be added at any stage to increase its capacity. With this construction technology, it takes no more than two weeks from the project's launch to the first harvest. Artificial intelligence, in particular that of the cloud-based SCADA system, is applied to manage key processes in real time. The system maintains optimal conditions for growing mushrooms. To preserve quality, shiitake mushrooms are hand-picked, placed in trays and immediately sent to the rapid cooling and packaging area. The farm's current monthly output is approaching 1.5 tons.

During the reporting period, Magnit had 503 private label (PL) items on sale. That was a rise of 9% compared with 2019. After revising its PL portfolio in 2020, the Company boosted its sales substantially — by over 19.4% compared with the previous year.

In 2020, Magnit opened the first specialized testing studio in Krasnodar, so that customers could evaluate its branded products. The evaluation will start with brands in the economy and medium price segments, where quality is a key determinant of consumer choice, such as Magnit (cereals, porridge, dairy products, household goods), Premier of Taste (cheese and beverages), Lucky Days (confectionery), etc. Magnit will leverage a number of evaluation methods and testing formats, depending on the product category (e.g., in-home testing of detergents, disinfectants and pet care products, in-depth interviews, focus groups, etc.).

All feedback will then be carefully analyzed with a view to strengthening existing brands and launching new SKUs that are better aligned with customer preferences. These efforts should increase customer satisfaction measured with Net Promoter Score (NPS). In the near future, testing studios are planned to open in two more cities with a population of one million or more.

In 2020, Magnit was recognized for its dedication to responsible production practices and private label excellence. The Company won the Best Private Label for Food Products and the Best Private Label Department categories in the Private Label Awards organized as part of the International Private Label Exhibition — IPLS 2020.



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6,746
tons of fresh
mushrooms grown
in 2020, that is up
by 38% year on year.

Green marketing

Magnit promotes sustainability among its partners and customers. It is constantly expanding its list of corporate partners and the number of joint initiatives.

In 2020, the Company held Magnit's Team, a major online contest for marketing agencies and studios to select prospective partners who will be promoting its business in the coming year. The contest, consisting of several stages, was held in partnership with Russia's leading advertising and marketing outlet Sostav, and supported by the Russian Association of Communication Agencies (RACA) and the Association of Brand Consultancies (ABC).

Magnit teamed up with Procter & Gamble in 2020 to promote the sustainability agenda nationwide. A major initiative on this front is a public environmental campaign called Give a Second Life to Plastics. The campaign ambassador, singer Dima Bilan, recorded the track Second Life that has become Russia's first environmental manifesto. Just before its release, a crowdsourcing contest was launched in social media to support the manifesto.

26

bottle cap containers
placed in 10 cities

Another initiative as part of this campaign is a network of reverse vending machines (RVM) for plastic packaging collection, with 80 machines to be installed in Moscow and Krasnodar in 2020 and 2021. RVMs can accept recyclable plastic packaging from any brand with a maximum capacity of 2 liters. Special bins are placed next to these machines for larger plastic containers as well as bottles without a barcode. According to preliminary estimates, one machine can collect 235 kg of plastic waste per year, so the new network of 80 RVMs can collect about 16 tons of plastic per year for further recycling. Forty RVMs have already been installed to date.

Magnit also teams up with Henkel in a tree planting pilot project, with 180 trees planted in 2020 to start a public garden. The Company is determined to plant more trees.

In 2020, Magnit continued Dobrye Kryshechki, a public environmental campaign for recycling plastic bottle caps that was launched the year earlier in collaboration with Henkel and the Volunteers to Help Orphans charity. Proceeds received from this campaign will be used to support adopted children with special needs. As part of this initiative, the Company placed 26 containers for recyclables in 10 cities. Since the start of the campaign, Magnit has collected more than two tons of bottle caps and sent them for recycling.

Magnit has collected and sent for recycling more than

2 tons
of bottle caps

In its 2019 Skrepyschi campaign, Magnit gifted toys to shoppers depending on amounts of cash they spent at its stores. Based on an analysis of the 2019 campaign, the Company launched the Skrepyschi-2 program in 2020. The toys are made of recyclable rubber, while packaging is made of FSC-Mix certified recycled materials. The show boxes, in which up to 200 toys are displayed at the cash register, are made of recycled cardboard.

In the 2020 Monopoly in Magnit campaign launched a few weeks before New Year's Day, shoppers were offered discounts on Hasbro board games made of eco-friendly materials with minimum plastic content.

Building playgrounds from recycled plastic

As part of the Give a Second Life to Plastics campaign, Magnit and Procter & Gamble (P&G) launched a joint initiative to build playgrounds from recycled plastic in three cities. Magnit shoppers buying P&G products in eco-box packaging could vote for one of the Russian cities on 2life.magnit.ru, a specially created website. Most votes were given to Arkhangelsk (91), Krasnodar (87) and Dzerzhinsk (82). One eco-playground has already been built in Krasnodar, with two more to be built in Arkhangelsk and Dzerzhinsk in 2021.

