

МАГНИТ

ABOUT THIS REPORT

Appendices

About this report

GRI 2-3

The Sustainability Report is a standalone document presenting non-financial information in a detailed manner in line with international standards and national guidelines on non-financial reporting.

This is the third report intended for the stakeholder community. It covers our management approaches, non-financial performance indicators, sustainability strategy and progress towards its goals, and contains an overview of our short-term and mid-term ESG plans and initiatives.

The information in this Report was prepared by the relevant business units of the Company within their areas of responsibility. It was collected and consolidated by the Sustainability Department on the basis of international and national guidelines and standards.

This Report is part of Magnit's annual reporting suite and should be read together with its Annual Report.

Scope of this Report

GRI 2-2

This Report presents Magnit Group's non-financial results for 2021. Data is disclosed for Magnit Group's companies referred to in Appendix 3.

Content of this Report

GRI 2-3

This Report is prepared in accordance with the Core Option of the GRI Standards. This Report is aligned with key principles as set out in the GRI Standards, including balance, comparability, accuracy, timeliness, clarity and reliability. A list of indicators described in the GRI Standards is provided in Appendix 1.1 hereto.



Integrating DIXY: Non-financial reporting

In Q3 2021, the DIXY retail chain became part of the Company. Previously, DIXY has not made any non-financial disclosures. For the purposes of this Report, we decided not to consolidate the 2021 sustainable development data and to consider disclosing DIXY's results under the GRI Standards. We made qualitative and quantitative disclosures for DIXY in the key sustainability areas on a standalone basis. We plan to develop further DIXY's non-financial reporting framework to present the consolidated data in future reporting periods.

In 2021, we added disclosures under the TCFD recommendations (Appendix 1.2), and retail-specific indicators in line with the SASB standards (Appendix 1.3). We also provide data on the Company's contribution to the UN Sustainable Development Goals and compliance with the UN Global Compact principles.

To avoid duplicate disclosures, this Report makes references to the Company's 2021 Annual Report and other publicly available documents.

Material topics of the Report

The content of the report was defined in accordance with the applicable standards and guidelines in consultation with the Company's stakeholders.

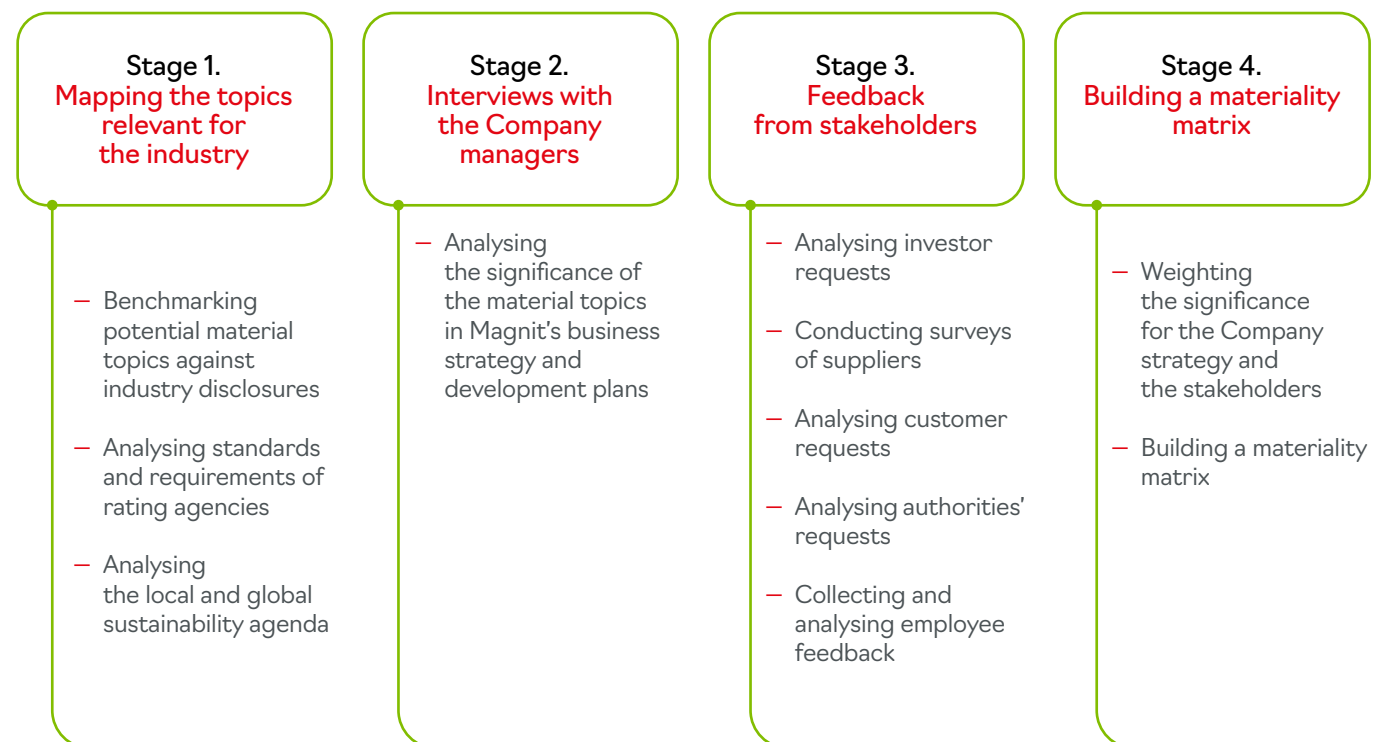
Defining material topics

GRI 3-1

Defining material topics constitutes an important stage of ESG reporting for the Company. By analysing the material topics, we can provide relevant and up-to-date information to our stakeholders, and review internal approaches to sustainability management.

The list of material topics was amended from the previous 2020 report. The Report also updates some of the historical data, which is expressly pointed out in the Report.

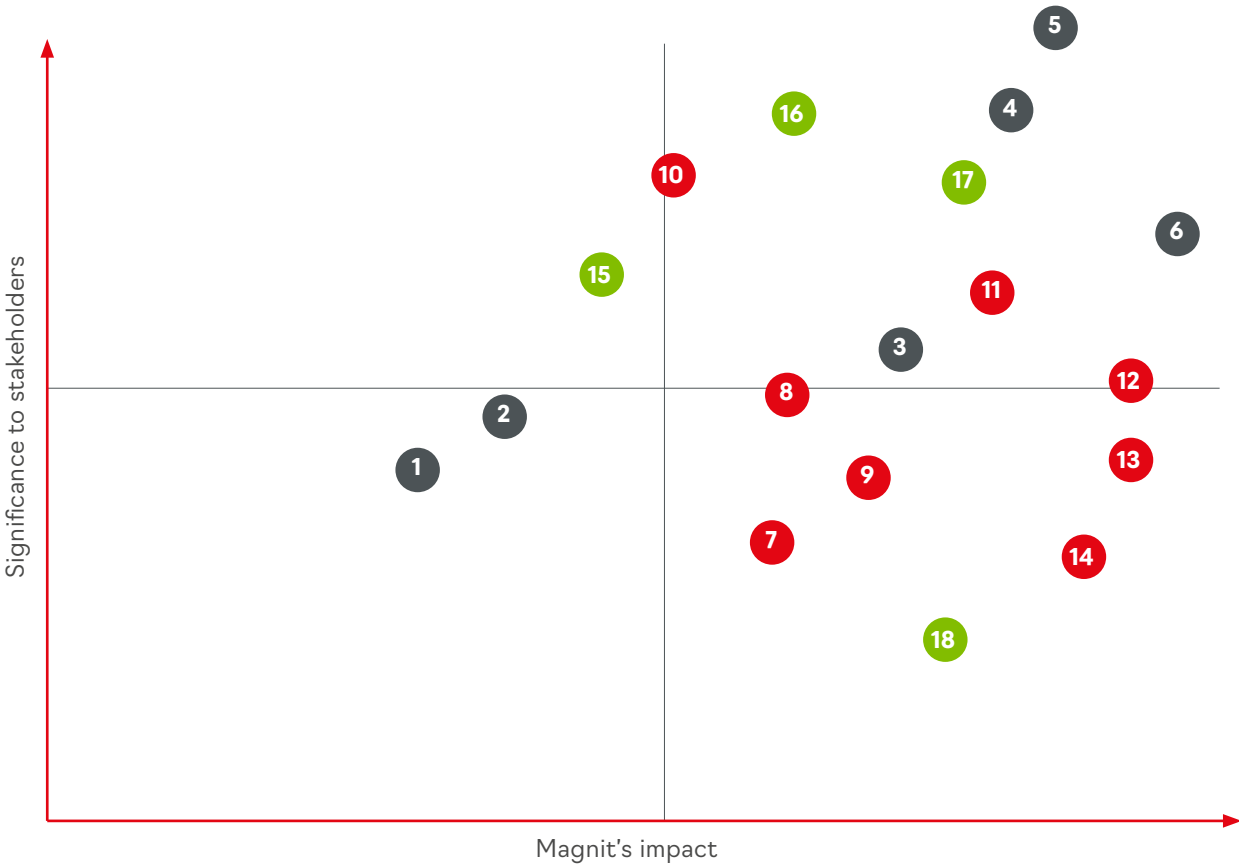
In late 2021, to reach out to as much different stakeholders as possible and give them an opportunity to define the relevance of the topics to be covered in the 2022 Sustainability Report, we started to draw up a uniform online survey on material topics. The online survey will be available to all stakeholder categories at the Company's official web site.



About this report

(continued)

Materiality matrix 2021



1. Sustainable supply chain

2. Business ethics and anti-corruption

3. IT security

4. Product quality and safety

5. Responsible governance

6. Creating financial value

7. Responsible marketing

8. Diversity and inclusion

9. Health and well-being

10. Supporting local communities
11. Personnel management and decent working conditions

12. Human rights

13. Safe working environment

14. Training and development

15. Resource use

16. Waste management

17. Climate change and energy efficiency

18. Environmental management

Relevance of the material topics to Magnit

Topic	Relevance to the Company	GRI	Report chapter
Environment			
Climate change and energy efficiency	Climate change exposes our business to risks in the long term due to growing food and energy prices. Magnit believes it is essential to reduce GHG emissions and improve energy efficiency, given that the efforts on this front have the greatest impact on climate change. As a major retailer with its own production facilities and logistics network, Magnit generates GHG emissions (Scopes 1 and 2) with an impact on the climate. We plan to assess the volume of other indirect GHG emissions (Scope 3) across all the value chain.	GRI 302: Energy, GRI 305: Emissions	Climate Change and Environmental Stewardship
Waste management	Our core business is to sell food products and other everyday essentials. Procurement, transportation and sales of goods result in a large quantity of different waste being produced. Plastic and food waste makes up the largest share. We strive to curb both the quantity of initial waste generated and the quantity of waste sent for recycling or reuse.	GRI 306: Waste management	Climate Change and Environmental Stewardship
Developing practices for eco-friendly packaging	As part of our core business, we sell products in plastic packaging and use plastic packaging for private label products. We intend to reduce the volume of plastic used in private label packaging by switching to advanced eco-friendly materials.		Own Production

About this report

(continued)

Topic	Relevance to the Company	GRI	Report chapter
Social aspect			
Personnel management and decent working conditions	As at the end of 2021, we have over 326,000 employees and continue to create new jobs. The Company recognises its responsibility to support the well-being of its employees and create a comfortable working environment. We are committed to fair pay, comprehensive social benefits, opportunities for career progression and professional development. We aim to be a great workplace and an employer of choice in the labour market.	GRI 202: Market presence, 401: Employment, 404: Training and education	Our Employees
Human rights	In the course of business, we engage with many stakeholders and put absolute respect for human rights at the heart of our interaction. We strive to promote the importance of protecting human rights at Magnit, including when interacting with suppliers and contractors and all our stakeholders.	GRI 408: Child labour, 409: Forced or compulsory labour	Human Rights
Supporting local communities	With our operations spanning 67 Russian regions, we embrace our duty of care to local communities across our footprint. We demonstrate our commitment to fulfilling this responsibility and making a difference by creating new jobs, offering decent working conditions, supporting local producers, making investment in social projects and promoting corporate volunteering.	GRI 204: Procurement practices	Local Communities, Health & Well-being, Sustainable Sourcing

Topic	Relevance to the Company	GRI	Report chapter
Corporate governance and economics			
Responsible governance	It is of utmost importance for us to conduct business in a responsible manner, make transparent and fair management decisions and take a top-down approach to ESG integration into Magnit's strategy. We recognise our responsibility to provide regular high-quality reports on our management approaches and performance.		Sustainability Management, Corporate Governance
Product quality and safety	Product safety and quality are vital to the Company's reputation and business growth. The goods produced and sold by Magnit meet all the applicable regulatory requirements. We regularly improve and develop our systems and policies in this area and continuously monitor the quality of goods.	GRI 416: Customer health and safety	Sustainable Sourcing
Creating financial value	We strive to improve our operational and financial performance on an ongoing basis. Our business development drives economic growth in the regions of our footprint. We aim to attain long-term and sustainable growth in the interests of our investors and shareholders, as well as other stakeholders.	GRI 201: Economic performance	About the Company
IT security	We recognise our responsibility for the personal data of our customers, employees, partners and other stakeholders. Ensuring data security is high on our agenda. Given the rapid development of remote technologies, our priority is to maintain high level of security and ensure uninterrupted operation of our IT systems in case of external threats.	GRI 418: Customer privacy	Corporate Governance

We also make disclosures on topics that are not on the list of material topics for the 2021 report, provided that they reflect our commitment to sustainable development and can be of interest to the stakeholder community.

About this report

(continued)

Feedback

Online survey

We value feedback from the readers of the Report, as it helps us improve non-financial reporting. In 2021, we made the feedback process more convenient for the stakeholder community by taking it online. We will analyse this feedback and take it into account in compiling our 2022 report. The findings of the survey are to be presented in our Sustainability Report 2022, along with the actions taken to improve non-financial disclosure on the basis of your assessment, comments and proposals.

Contact us

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You can share your opinion on the 2021 Sustainability Report and ask any related questions by getting in touch with the contacts below.

Anna Meleshina	Director for Corporate Relations and Sustainability E-mail: meleshina_ay@magnit.ru
Nadezhda Galaktionova	Head of the Sustainable Development Unit E-mail: galaktionova_na@magnit.ru
Tatiana Kovaleva	Head of Rating Analytics and Non-Financial Reporting E-mail: kovaleva_tv@magnit.ru

Disclaimer

The Sustainability Report should be read as a whole taking into account the content of all sections as well as the notes and the explanations herein, including the information set forth in this section.

The Sustainability Report was prepared based on the information available to Magnit and the Group as of 31 December 2021, unless otherwise implied by the meaning or content of the information provided.

When using the information in this Sustainability Report, please note that the information on S&P and MSCI sustainability ratings assigned to Magnit is given as of 31 December 2021, whereas as of the date of actual publication of the Sustainability Report such ratings have been revised due to the general change/withdrawal of ratings of Russian issuers and entities.

Forward-looking statements are not based on actual circumstances and include all statements concerning the Company’s intentions, opinions, or current expectations regarding its performance, financial position, liquidity, growth prospects, strategy, and the industry in which Magnit operates. By their nature, such forward-looking statements are characterised by risks and uncertainties since they relate to events and depend on circumstances that may not occur in the future.

Such terms as “assume,” “believe,” “expect”, “predict”, “intend”, “plan”, “project”, “consider” and “could” along with other similar expressions as well as those used in the negative usually indicate the predictive nature of the statement. These assumptions contain risks and uncertainties that are foreseen or not foreseen by the Company. Thus, future performance may differ from current expectations, therefore the recipients of the information presented in the Sustainability Report should not base their assumptions solely on it.

Since February 2022 we are witnessing growing geopolitical tension and certain countries have announced and imposed and subsequently expanded various sanctions against the Russian Federation's sovereign debt, certain Russian banks, organizations and individuals. The Russian Federation has taken a number of retaliatory measures, including those drastically changing the regulation of Russian business compared to what it was as of 31 December 2021.

These events, separately or jointly with other known and unknown circumstances, including those arising after 31 December 2021 in terms of changes in the conditions for the functioning of international businesses in the territory of the Russian Federation, may affect the Company's strategy, plans, ongoing projects and partnerships in the field of sustainable development.

In addition to official information on the activities of Magnit, this Sustainability Report contains information obtained from third parties and from sources which Magnit finds to be reliable. However, the Company does not guarantee the accuracy of this information, as it may be abridged or incomplete. Magnit offers no guarantees that the actual results, scope, or indicators of its performance or the industry in which the Company operates will correspond to the results, scope, or performance indicators clearly expressed or implied in any forward-looking statements contained in this Sustainability Report or elsewhere. Magnit is not liable for any losses that any person may incur due to the fact that the above person relied on forward-looking statements.

Except as expressly envisaged by applicable law, the Company assumes no obligation to distribute or publish any updates or changes to forward-looking statements reflecting any changes in expectations or new information as well as subsequent events, conditions, or circumstances.

Appendix 1.

Compliance with ESG reporting standards and recommendations

Appendix 1.1 GRI Index

Indicator	Definition	Information / Report chapter
GRI 2: General Disclosures 2021		
The organisation and its reporting practices		
2-1	Organisational details	Chapter 1. About the Company
2-2	Entities included in the organisation's sustainability reporting	Appendix 3. List of companies
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	About this Report
2-5	External assurance	Taking into account the incorporation of DIXY in the Magnit Group, which took place in Q3 2021, we decided not carry out the external verification of data for the reporting period
Activities and workers		
2-6	Activities, value chain and other business relationships	Chapter 1. About the Company
2-7	Employees	Chapter 3. Our employees
2-8	Workers who are not employees	Chapter 3. Our employees
Governance		
2-9	Governance structure and composition	Annual Report
2-10	Nomination and selection of the highest governance body	Annual Report
2-11	Chair of the highest governance body	Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 2. Sustainability management
2-13	Delegation of responsibility for managing impacts	Chapter 2. Sustainability management Chapter 9. Corporate governance
2-14	Role of the highest governance body in sustainability reporting	Chapter 2. Sustainability management
2-15	Conflicts of interest	Chapter 9. Corporate governance Annual Report
2-16	Communication of critical concerns	Annual Report
2-17	Collective knowledge of the highest governance body	Annual Report

Indicator	Definition	Information / Report chapter
2-18	Evaluation of the performance of the highest governance body	Annual Report
2-19	Remuneration policies	Annual Report Chapter 9. Corporate governance
2-20	Process to determine remuneration	Annual Report Chapter 9. Corporate governance
2-21	Annual total compensation ratio	—
Strategy, policies and practices		
2-22	Statement on Sustainable Development Strategy	Chapter 2. Sustainability management
2-23	Policy commitments	Chapter 2. Sustainability management
2-24	Embedding policy commitments	Chapter 2. Sustainability management
2-25	Processes to remediate negative impacts	Chapter 2. Sustainability management
2-26	Mechanisms for seeking advice and raising concerns	Chapter 2. Sustainability management Chapter 3. Our employees Chapter 9. Corporate governance
2-27	Compliance with laws and regulations	Magnit complies with all relevant laws and acts, working in cooperation with the stakeholders on a responsible basis and in strict line with the Russian legislation
2-28	Membership associations	Chapter 2. Sustainability management Chapter 5. Climate change and environmental stewardship
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Chapter 2. Sustainability management
2-30	Collective bargaining agreements	The Company had no collective bargaining agreements as at 31 December 2021

Appendix 1.

Compliance with ESG reporting standards and recommendations

(continued)

Indicator	Definition	Information / Report chapter
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	About this Report
3-2	List of material topics	About this Report
3-3	Management of material topics	Chapter 3. Our employees Chapter 5. Climate change and environmental stewardship Chapter 6. Sustainable sourcing Chapter 8. Local communities Chapter 9. Corporate governance
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Chapter 1. About the Company Chapter 2. Sustainability management
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 3. Our employees
GRI 203: Indirect Economic Impacts		
203-2	Significant indirect economic impacts	Chapter 8. Local communities
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	Chapter 6. Sustainable sourcing
GRI 205: Anti-corruption		
205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified through the risk assessment	Chapter 9. Corporate governance
205-2	Communication and training about anti-corruption policies and procedures	Chapter 9. Corporate governance
205-3	Confirmed incidents of corruption and actions taken	No confirmed instances of corruption were recorded as at 31 December 2021

Indicator	Definition	Information / Report chapter
GRI 207: Tax		
207-1	Approach to tax	Chapter 9. Corporate governance
207-2	Tax governance, control, and risk management	Chapter 9. Corporate governance
207-3	Stakeholder engagement and management of concerns related to tax	Chapter 9. Corporate governance
207-4	Country-by-country reporting	Chapter 9. Corporate governance Tax payments are reported for the Russian Federation and include taxes paid to federal and regional budgets
GRI 301: Materials		
301-2	Percentage of recycled input materials used	Chapter 5. Climate change and environmental stewardship
GRI 302: Energy		
302-1	Energy consumption within the organisation	Chapter 5. Climate change and environmental stewardship Chapter 6. Sustainable sourcing
302-3	Energy intensity	Chapter 5. Climate change and environmental stewardship
302-4	Reduction of energy consumption	Chapter 5. Climate change and environmental stewardship
302-5	Reductions in energy requirements of products and services	Chapter 5. Climate change and environmental stewardship
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	Chapter 5. Climate change and environmental stewardship
303-2	Management of water discharge-related impacts	Chapter 5. Climate change and environmental stewardship
303-3	Water withdrawal	Chapter 5. Climate change and environmental stewardship Chapter 6. Sustainable sourcing
303-4	Water discharge	Chapter 5. Climate change and environmental stewardship

Appendix 1.

Compliance with ESG reporting standards and recommendations

(continued)

Indicator	Definition	Information / Report chapter
GRI 305: Emissions		
305-1	Direct GHG emissions	Chapter 5. Climate change and environmental stewardship
305-2	Energy indirect GHG emissions	Chapter 5. Climate change and environmental stewardship
305-4	GHG emissions intensity	Chapter 5. Climate change and environmental stewardship
305-5	Reduction of GHG emissions	Chapter 5. Climate change and environmental stewardship
305-6	Emissions of ozone-depleting substances (ODS)	Chapter 5. Climate change and environmental stewardship
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Chapter 5. Climate change and environmental stewardship
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	Chapter 5. Climate change and environmental stewardship
306-2	Management of significant waste-related impacts	Chapter 5. Climate change and environmental stewardship
306-3	Waste generated	Chapter 5. Climate change and environmental stewardship
306-4	Waste diverted from disposal	Chapter 5. Climate change and environmental stewardship
306-5	Waste directed to disposal	Chapter 5. Climate change and environmental stewardship
GRI 401: Employment		
401-1	Total number and rate of new employee hires and employee turnover during the reporting period, by age group, gender and region	Chapter 3. Our employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 3. Our employees
401-3	Parental leave	Chapter 3. Our employees
GRI 402: Labour/Management Relations		
402-1	Minimum notice periods regarding significant operational changes and whether these are specified in collective bargaining agreements	The minimum notice period regarding significant operational changes is fully compliant with applicable labour laws of the Russian Federation

Indicator	Definition	Information / Report chapter
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Chapter 4. Safe working environment
403-2	Hazard identification, risk assessment, and incident investigation	Chapter 4. Safe working environment
403-3	Occupational health services	Chapter 4. Safe working environment
403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter 4. Safe working environment
403-5	Worker training on occupational health and safety	Chapter 4. Safe working environment
403-6	Promotion of worker health	Chapter 7. Health & well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 4. Safe working environment
403-8	Workers covered by an occupational health and safety management system	Chapter 4. Safe working environment
403-9	Work-related injuries	Chapter 4. Safe working environment
403-10	Work-related ill health	The Company had no cases of recordable work-related ill health as at 31 December 2021. Moreover, work-related ill health is uncharacteristic of Magnit's current industry
GRI 404: Training and Education		
404-1	Average hours of training per year per employee by gender and employee category	Chapter 3. Our employees
404-2	Programmes for upgrading employee skills and transition assistance programmes provided to facilitate continued employability and the management of career endings	Chapter 3. Our employees
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 3. Our employees

Appendix 1.

Compliance with ESG reporting standards and recommendations

(continued)

Indicator	Definition	Information / Report chapter
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees in main employee categories, by gender, age group, minority group and other indicators of diversity	Chapter 3. Our employees
405-2	Ratio of basic salary and remuneration of women to men for each employee category, by significant locations of operation	Chapter 3. Our employees
GRI 406: Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	No confirmed instances of discrimination on any ground were identified in the reporting period
GRI 407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be violated or at significant risk	No violations were identified at the Company or its current suppliers in the reporting period
GRI 408: Child Labour		
408-1	Operations and suppliers at significant risk for incidents of child labour	No incidents of child labour were identified at the Company or its current suppliers in the reporting period
GRI 409: Forced or Compulsory Labour		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No incidents of forced or compulsory labour were identified at the Company or its current suppliers in the reporting period
GRI 412: Human Rights Assessment		
412-1	Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments	The Company did not perform any human right reviews of its operations in the reporting period
412-2	Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	There was no training on human rights in the reporting period

Indicator	Definition	Information / Report chapter
GRI 413: Local Communities		
413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Chapter 8. Local communities
GRI 414: Supplier Social Assessment		
414-1	Percentage of new suppliers that were screened using social criteria	The Company did not screen any suppliers using social criteria in the reporting period
GRI 416: Customer Health and Safety		
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Chapter 6. Sustainable sourcing
GRI 417: Marketing and Labelling		
417-1	Types of information required by the organisation's procedures for product and service information and labelling and the percentage of significant product or service categories covered by and assessed for compliance with such procedures	Chapter 6. Sustainable sourcing
GRI 418: Customer Privacy		
418-1	Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data No substantiated complaints concerning breaches of customer privacy or losses of customer data were recorded in the reporting period	No substantiated complaints concerning breaches of customer privacy or losses of customer data were recorded in the reporting period

Appendix 1.

Compliance with ESG reporting standards and recommendations

(continued)

Appendix 1.2 SASB Index

Indicator	Definition	Information / Report chapter
Fleet Fuel Management FB-FR-110a.1	Fleet fuel consumed, percentage renewable	Chapter 5. Climate change and environmental stewardship
Air Emissions from Refrigeration FB-FR-110b.1	Gross global Scope 1 emissions from refrigerants	Chapter 5. Climate change and environmental stewardship
Energy Management FB-FR-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Chapter 5. Climate change and environmental stewardship
Food Waste Management FB-FR-150a.1	Amount of food waste generated, percentage diverted from the waste stream	Chapter 5. Climate change and environmental stewardship
Data Security		
FB-FR-230a.1	(1) Number of data breaches (2) percentage involving personally identifiable information (3) number of customers affected	No data breeches involving personal data were recorded in 2021
FB-FR-230a.2	Description of approach to identifying and addressing data security risks	Chapter 9. Corporate governance
Product Health & Nutrition		
FB-FR-260a.1	Revenue from products labelled and/or marketed to promote health and nutrition attributes	Chapter 8. Health and well-being
FB-FR-260a.2.	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Chapter 8. Health and well-being
Labour Practices FB-FR-310a.2	Percentage of active workforce covered under collective bargaining agreements	The Company had no collective bargaining agreements as at 31 December 2021
Management of Environmental & Social Impacts in the Supply Chain FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	Chapter 6. Sustainable sourcing
Activity Metrics		
FB-FR-000.A	Number of (1) retail locations and (2) distribution centres	Chapter 1. About the Company
FB-FR-000.B	Total area of (1) retail space and (2) distribution centres	Chapter 1. About the Company
FB-FR-000.C	Number of vehicles in commercial fleet	Chapter 1. About the Company

Appendix 1.3 Compliance with TCFD recommendations





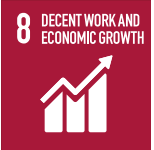
Section	Recommendations	Information / Report chapter
Governance The organisation's governance around climate-related risks and opportunities	a. Describe the board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	Chapter 5. Climate change and environmental stewardship
Strategy Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Chapter 5. Climate change and environmental stewardship
Risk Management How the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks b. Describe the organisation's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Chapter 5. Climate change and environmental stewardship Chapter 9. Corporate governance Annual Report
Metrics and Targets Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Chapter 5. Climate change and environmental stewardship

Appendix 2.

Overview of our contribution towards UN SDGs and related targets

Overview of Magnit's contribution towards the UN Sustainable Development Goals (SDGs)

We have prioritised eight SDGs and 20 related targets in terms of Magnit’s contribution towards each. For details on the priority SDGs, see Sustainability management.

	UN SDG and its targets
	SDG 2: Zero Hunger <ul style="list-style-type: none">– 2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.– 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.– 2.5 (c) Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.
	SDG 3: Good Health and Well-being <ul style="list-style-type: none">– 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.– 3.9 (d) Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.
	SDG 6: Clean Water and Sanitation <ul style="list-style-type: none">– 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
	SDG 7: Affordable and Clean Energy <ul style="list-style-type: none">– 7.3 By 2030, double the global rate of improvement in energy efficiency.
	SDG 8: Decent Work and Economic Growth <ul style="list-style-type: none">– 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.– 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.– 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



	UN SDG and its targets
	SDG 12: Responsible Consumption and Production <ul style="list-style-type: none">– 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.– 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.– 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.– 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.– 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.
	SDG 13: Climate Action <ul style="list-style-type: none">– 13.2 Integrate climate change measures into national policies, strategies and planning.– 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
	SDG 17: Partnership for Sustainable Development <ul style="list-style-type: none">– 17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organisation, including through the conclusion of negotiations under its Doha Development Agenda.– 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.



Appendix 2.

Overview of our contribution towards UN SDGs and related targets

(continued)

Additional contribution towards SDGs and related targets

SDG	SDG target	Magnit's contribution
 SDG 1: No Poverty	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	<ul style="list-style-type: none">— Magnit set a new record, with 362,000 tonnes of private label products put out in 2021 to ensure, among other things, high availability of socially significant consumer goods.— The Company plans to introduce voluntary markup restrictions for a fixed range of socially significant products as a mechanism to ease the inflationary pressure on the incomes of Russian residents.— As a result of Magnit's operations, some quantity of leftover products does not make it to the shelves. Still usable, these are allocated for donations as we seek to support people in need.
	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social or environmental shocks and disasters	<ul style="list-style-type: none">— As part of the Cart of Kindness project launched in cooperation with the All-Russia People's Front, Magnit installed special carts in supermarkets across 26 regions of Russia for those wishing to donate products. As soon as the carts were filled, our volunteers would prepare packages and deliver them according to the list of people in need.
 SDG 4: Quality Education	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none">— In 2020, Magnit launched Corporate Academy, an education platform for employees of all ranks across key corporate functions.— As part of the employee training and development strategy, training stores were opened, with a mobile e-programme developed and an online anti-corruption course arranged.
	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	<ul style="list-style-type: none">— Magnit designed a sustainable development training course for employees.— Raising Responsible Consumers Together. Magnit and Nestle will support a new project for schoolchildren.

SDG	SDG target	Magnit's contribution
	By 2020, substantially reduce the proportion of youth not engaged in employment, education or training	<ul style="list-style-type: none">— To attract young specialists and grow a talent pool, Magnit cooperates with leading educational institutions of Russia: Kuban State University, Kuban State Technological University, Kuban State Agricultural University, Kuban State Medical University, Kuban Institute of Vocational Education, Academy of Marketing and Social Technologies, Krasnodar College of Electronic Instrumentation, Russian University of Cooperation, Financial University under the Government of the Russian Federation, Saint Petersburg State University of Economics, and Plekhanov Russian University of Economics.
 SDG 5: Gender Equality	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	<ul style="list-style-type: none">— Magnit strives to provide equal career opportunities for all employees regardless of their gender and age. Women account for 20% of senior executives, playing a key role in the Company's management.
 SDG 9: Industry, Innovation and Infrastructure	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none">— Strengthening the focus on freshness, Magnit launched the first of its citrus packaging lines at the Novorossiysk distribution centre in 2020.— In the same year, the Company piloted a joint project with City Farmer for growing shiitake with AI technologies.— Magnit commenced testing of the robot cleaner. With moderate amount of dirt in stores, the cleaner consumed less water and detergent.— Magnit tested an exoskeleton solution at distribution centres, laying the foundation to ease the heavy-load impact by about 20%, increasing the individual performance of employees by 10%, as well as improve working conditions.— Magnit tested an AI-based greenhouse management approach via an e-platform that monitors resource consumption at separate facilities, proposing ways to minimise the Company's costs and environmental footprint.

Appendix 2.

Overview of our contribution towards UN SDGs and related targets

(continued)

SDG	SDG target	Magnit's contribution
<div><div><div>10</div><div>REDUCED INEQUALITIES</div></div><div></div><div>SDG 10: Reduced Inequalities</div></div>	Adopt policies, especially Fiscal Policy and Wage and Social Protection Policy, and progressively achieve greater equality	Key initiatives: <ul style="list-style-type: none">– The Company's key rules of conduct and ethical values are set out in the Code of Business Ethics and the Human Rights Policy adopted in 2020.
	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	<ul style="list-style-type: none">– Magnit was the first among retailers to support the Kind Bunny volunteer project in Novgorod aimed at teaching sales assistants to communicate with disabled people in a correct manner and provide first aid in emergency cases.– As at the end of 2020, Magnit employed 888 people with disabilities.
<div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div><div></div><div>SDG 11: Sustainable Cities and Communities</div></div>	Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning	<ul style="list-style-type: none">– Magnit contributes to the growth of local infrastructure and well-being of communities across the Company's geography by making regular tax payments to budgets and creating jobs.– Development of volunteer and charity programmes in the regions, as well as emergency support.– Magnit opened its first stores in Dagestan.– Magnit and the Russian Agricultural Bank rolled out the farmer support project to regions.– Magnit plans to open an office in Uzbekistan.
	By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	<ul style="list-style-type: none">– «Magnit and Procter&Gamble built children's playgrounds out of recycled plastic.
<div><div><div>14</div><div>LIFE BELOW WATER</div></div><div></div><div>SDG 14: Life Below Water</div></div>	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	<ul style="list-style-type: none">– Despite Magnit's business bearing no immediate effect on marine ecosystems, with none of the Company's facilities exploiting or polluting sea waters, we realise that the amount of production plastic and plastic waste directly impacts the marine environment. Our goal is to recycle as much plastic as possible, as well as restrain plastic waste generation across the entire chain of our operations, including customers, by developing green packaging.

SDG	SDG target	Magnit's contribution
<div><div><div>15</div><div>LIFE ON LAND</div></div><div></div><div>SDG 15: Life on Land</div></div>	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	<ul style="list-style-type: none">– We are actively working towards reducing paper use and switching to the electronic document exchange system under the Green Office initiative.– Magnit's volunteers regularly initiate tree planting together with local communities and non-governmental organisations.
<div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div><div></div><div>SDG 16: Peace, Justice and Strong Institutions</div></div>	Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none">– As part of the employee training and development strategy, training stores were opened, with a mobile e-programme developed and an online anti-corruption course arranged.– The Company has an anti-corruption hotline available for all the parties involved.– We comply with all relevant laws and acts, working in cooperation with the stakeholders on a responsible basis and in strict line with the Russian legislation.

Appendix 3.

List of Magnit Group companies

List of Magnit Group companies that fall within the Report's disclosure perimeter

Company name	Principal activity
Tander JSC	Food retail and wholesale
Selta LLC	Transportation services for the Group
Retail Import LLC	Import operations
Alkotrading LLC	Other operations
Tandem LLC	Rent operations
BestTorg LLC	Food retail in Moscow and the Moscow region
Zvezda LLC	Assets holder, vehicles maintenance services for the Group
ITM LLC	IT services
Logistika Alternativa LLC	Import operations
MagnitEnergo LLC	Buyer of electric power for the Group
Magnit Pharma LLC	Pharmaceutical licence holder
Magnit IT Lab LLC	Innovative software product development
MFK LLC	Other activities
TD-Holding LLC	Production and processing of food for the Group
TK Zelenaya Liniya LLC	Greenhouse complex
MC Industrial Park Krasnodar LLC	Management of production assets
Kuban Confectioner LLC	Production of food for the Group
Kuban Factory of Bakery Products LLC	Production of food for the Group
Moskva na Donu LLC	Production of agricultural products for the Group
Zelen Yuga LLC	Production of agricultural products for the Group
Volshebnaya svezhest LLC	Production of household chemicals for the Group
MF-SIA LLC	Management activities

Contact

information

Your feedback helps us do a better job in maintaining sustainability and reporting on it.

We will be happy to hear your thoughts and answer your questions. You can contact us using the information below.

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