

ПРИВОЗИМ СЕЗОННЫЕ
ФРУКТЫ И ОВОЩИ.
ВЕДЬ В КАЖДОМ СЕЗОНЕ
ЕСТЬ ЧТО-ТО ХОРОШЕЕ

CHAPTER 7

Health and well-being

Health and well-being

Material topics

Promotion of healthy lifestyles

Priority SDGs

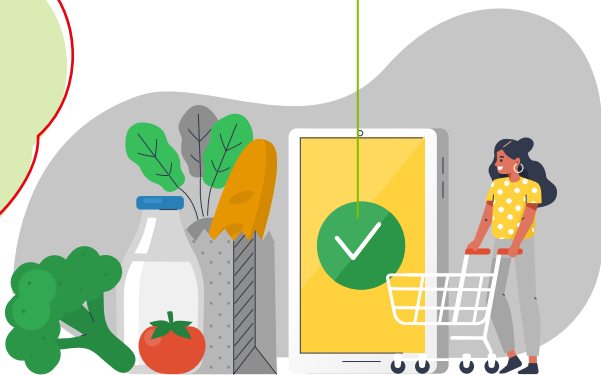


2021 highlights

- Establishment of an international coalition with eight major FMCG producers under the United for Healthier Future Initiative to improve the quality of life for consumers and local communities.
- Launch of the 'Raising Responsible Consumers Together' joint project with Nestlé aimed at fostering a nutrition culture among schoolchildren.
- Partnership with the Federal Research Centre of Nutrition, Biotechnology and Food Safety.
- Establishment of the pro.healthy habits club as part of the loyalty programme to provide customers with reliable information on healthy lifestyles and beauty trends.
- Beginning of My Magnit magazine's transition to the Gastronom digital media portal to publish content about healthy lifestyles, nutrition and products available in Magnit stores, and tap into new audiences.
- In 2021, Magnit scrutinised its private label assortment to increase the share of healthy products in its own production.

Sales of private label health products amounted to

RUB 41,487 mln



Progress towards our goals

Strategic goal to 2025	2021 Performance
 Healthy lifestyle products are available to all our customers	<ul style="list-style-type: none">The number of Health Islands in our supermarkets increased to 228; the popularity of this product category grew by 9%Sales of private label health products amounted to RUB 41,487 mln, which accounts for 27% of private label sales
 Information about healthy lifestyle and nutrition is available to all our customers	<ul style="list-style-type: none">We increase our nationwide outreach by implementing new partner projects to educate people on healthy lifestyles while actively developing our own initiatives

Key documents

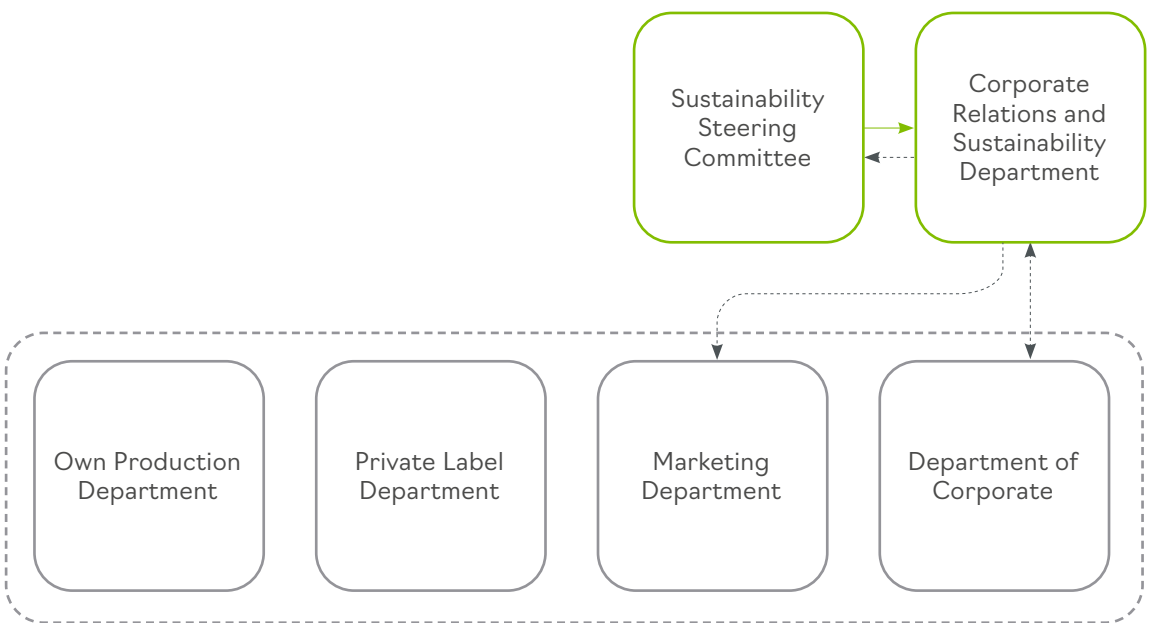
Magnit's policies and documents

- Health and Wellness Policy
- Quality, Food & Non-Food Safety Policy

External documents

- Code of Participants in United for Healthier Future Initiative
- Federal Law No. 47-FZ "On food quality and food safety"
- Healthy Nutrition federal project as part of the Demography national project
- World Health Organisation (WHO) healthy lifestyle guidelines
- Commitments of responsible companies to ensure the availability of healthy foods (Tokyo Nutrition for Growth Summit 2021)

Governance structure



→ Administrative subordination
→ Coordination within the framework of the Sustainability Strategy and advisory support

Our approach to management

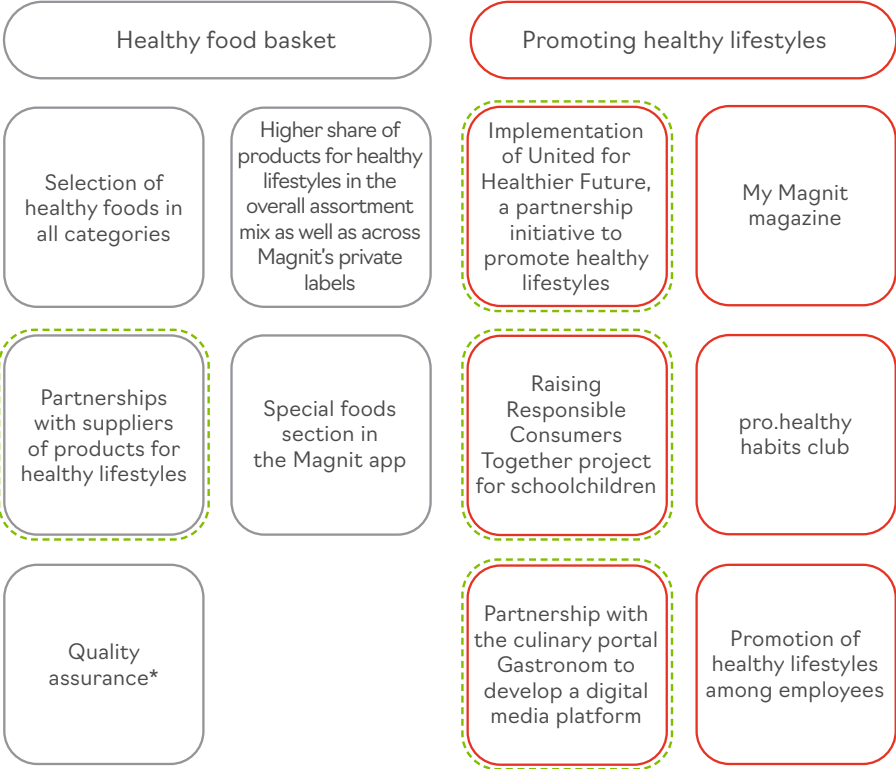
As Russia's leading retailer, we operate in 3,898 towns and cities in Russia, and our brand is well known and trusted by more than 15 million customers across 26,077 stores who encounter us daily. Magnit's headcount exceeds 360,000 people, which grants the Company a unique opportunity to develop and promote healthy lifestyles among our customers and employees, as well as other stakeholders we engage with.

Our commitment to promote healthy lifestyles and spread knowledge about good nutrition is enshrined in the Company's Sustainability Strategy 2025.

Our aim is to promote healthy lifestyles by providing customers with access to healthy, safe and quality products, as well as reliable information on healthy nutrition and a balanced diet.

more than **15 million** customers across 26,077 stores who encounter us daily

Magnit's approach to public health and well-being



*Magnit's current activities (see Quality)
--- Partnership projects

To follow through on this commitment, we pursue a wide range of projects and initiatives leveraging the Company's own resource base, while continuously looking to expand our toolkit and enhance the existing approaches. We educate people about the rules of a balanced diet and the basic healthy lifestyle principles. Magnit is increasing the share of healthy products in its entire assortment, laying a particular emphasis on quality and affordability. The Company is fully aware of the synergies that come on the back of partnerships with major retail players and food manufacturers. By pooling resources and communication channels, implementing joint projects and campaigns, we significantly increase our outreach, which in turn empowers us to improve the health and well-being of the entire nation.

In 2021, we conducted an in-depth analysis of Magnit's existing practices and planned initiatives, as well as partner health and well-being projects. Based on this analysis, Magnit has begun to develop a detailed roadmap and quantitative targets for both creating a healthy food basket and promoting healthy lifestyles among customers, employees and the general public.

Healthy food basket

Magnit seeks to offer a wide range of products that will enable customers to shape their shopping basket in line with the WHO nutritional guidelines and their personal needs. The Company continuously works to increase the share of healthy products on the shelves in general and in its own production mix in particular.

Selection of healthy foods in all categories

To determine whether or not a product can be categorised as healthy, the Company has developed a system for rating all food products, including its private labels.

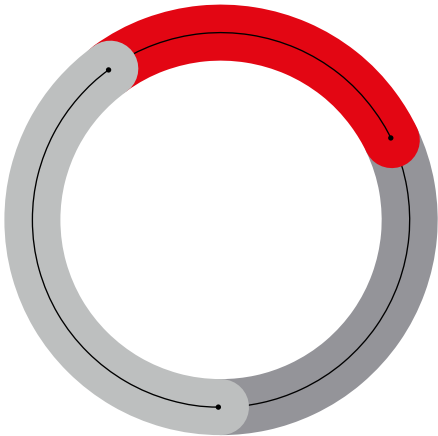
In 2021, Magnit defined an approach to composing the healthy food basket and assessed all product categories according to WHO recommendations and Russian standards. The healthy basket includes basic groceries, such as fruits, vegetables, cereals, dietary and diabetic foods, as well as portion-sized products like pasta, tea, coffee, juice, etc. As at the end of the reporting period, 28% of the private label range were healthy products that could be added to the basket.

Another 32% of the chain's products require optimisation, such as reduction of fat, sugar and salt content. Once their formulation has been improved, these products will be assessed for their health benefits and may be included in the healthy food basket. 40% of products are not planned for inclusion in the healthy basket, but Magnit will continue looking for ways to optimise their ingredients, make them healthier and ramp up the supplies of these categories from farmers.

The Company plans to have all its products categorised under this system and go on with initiatives to enhance the nutritional value and health benefits of its private labels and suppliers' products alike.



Share of healthy products in private labels and the overall assortment mix, %



28 Healthy food basket
32 Products to potentially be added to the basket
40 Other product categories

Healthy food basket

(continued)

Supplier engagement and Company's initiatives

The goods from local producers take a special place in the Magnit's assortment of healthy products. To increase the share of farm products on its shelves, the Company simplifies contracting with domestic agribusinesses (for details, see Sustainable sourcing). 305,000 tonnes of products were supplied to our stores in 2021 under such contracts, while the number of partners among local producers stood at around 2,500. In the reporting year, we also doubled the number of Farmers' Shops and Farmers' Yards to 300 and 185, respectively.

Health Islands are Magnit's another initiative to increase the accessibility and awareness of healthy products. As part of this initiative, we set up dedicated sections in our stores, stocking them with natural products, superfoods, dietary and sports products, as well as sugar- and gluten-free goods. As at the end of 2021, 228 Health Islands were set up in Magnit's supermarkets, superstores and Magnit Family outlets, which is 70% more than there were in 2020. The Company plans to set up health islands in its convenience stores as well.



In 2021, Magnit launched the Special foods section in its delivery app. The section displays healthy products and vitamin supplements, as well as products for people with special nutritional needs, such as gluten- and sugar-free products and sports foods. Not only does this solution help make healthy products more accessible to our customers, but also serves as an additional communication channel to raise awareness of the importance of healthy lifestyles among the app users.



Promoting healthy lifestyles

We believe that our customers can keep a healthy and balanced diet by making informed product choices, which is why we are continuously working to raise awareness of healthy lifestyle principles. The Company's initiatives, including the Raising Responsible Consumers Together programme, My Magnit magazine, and our pro.healthy habits club, are aimed at promoting responsible and mindful consumption. By publishing consumer-oriented articles in its magazine or on its website, the Company disseminates information about healthy nutrition and a balanced diet, which in turn helps customers compose their own food basket by combining products from different categories while adhering to the principles of healthy eating.

United for healthier future

In 2021, Magnit furthered its efforts to promote sustainability principles among partners and customers: The Company joined eight major FMCG producers in signing the Code of Participants in United for Healthier Future Initiative.

The initiative pledges to improve the quality of life for consumers and local communities in Russia. Signatories to the Code in 2021 include Nestlé, Johnson & Johnson Consumer Health, Danone, Mars, PepsiCo, L'Oréal, Procter & Gamble, as well as Boston Consulting Group.

Project participants cooperate in three areas: Self Care, Community Care, and Employee Care, in support of the goals of the Strengthening Public Health federal project (part of the Demography national project). Together the organisations are tasked in actively promoting healthy living and environmental care, and supporting the development of unified requirements to educational outreach in the field of healthy living and ecology.

In signing the Code, Magnit has made the following commitments:

Education	To provide information to consumers and employees that support raising health awareness, encouraging more responsible consumption, and increasing interest in balanced nutrition, healthy living, disease prevention, and environmental care
Availability	To offer consumers goods, comprehensive solutions, and services aimed at increasing the attractiveness, accessibility, and affordability of healthy living and environmental care. The members will also strive to increase the share of food and associated products for healthy living and environmental care in the consumer basket
Partnerships	To remain open to cooperation with retailers, FMCG producers, public authorities, research institutes, and other stakeholders with a view to sharing relevant experiences in promoting healthy living and environmental care
Research	To support studies aimed at identifying consumer trends and the level of consumer awareness with regard to healthy living and environmental care

Promoting healthy lifestyles

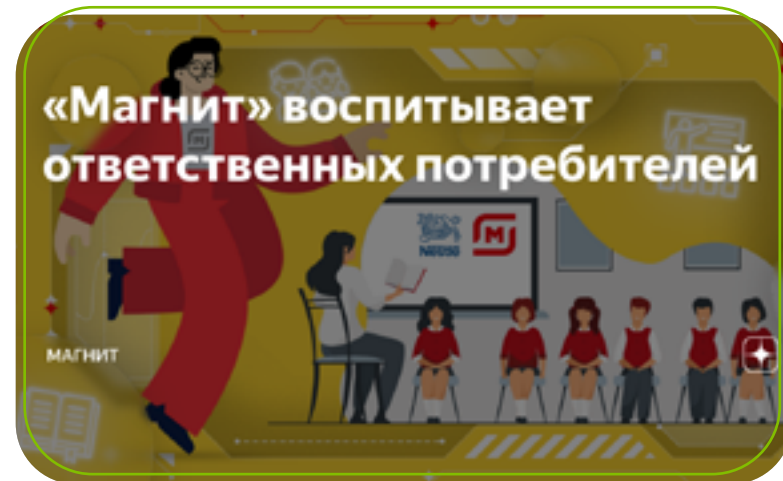
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Raising responsible consumers together

Magnit's first joint initiative with Nestlé is supporting the launch of the Raising Responsible Consumers Together project, which will become part of the Good Nutrition Talk educational programme.

As part of the programme launched in September 2021, teachers give online lessons aimed at fostering a culture of healthy eating among schoolchildren aged seven to twelve. Children attending these classes are taught to maintain a balanced diet and be responsible consumers, and gain practical knowledge about healthy lifestyles. The project has been backed by the Federal Research Centre for Nutrition, Biotechnology and Food Safety and spans 648 schools in 60 regions of Russia with the support of regional education departments.

During extracurricular activities, schoolchildren learn about the standard



assortment of different store departments, gain knowledge on how to choose products, find and understand the key packaging information, and get to know about commerce-related jobs as well as the rights and responsibilities of consumers with the help of their teacher. It is the combination of the basics of good nutrition and mindfulness of rational consumption and use of food that will help foster a culture of health in the younger generation.

To make children and teachers more involved in the project, the initiative includes a photo contest. All participants who submit photo reports of their lessons are awarded with a Participant Diploma, with ten people's favourite teams receiving a Diploma and gifts from Magnit.

648 schools

in 60 regions of Russia

are spaned by the project Raising Responsible Consumers Together



For details, visit

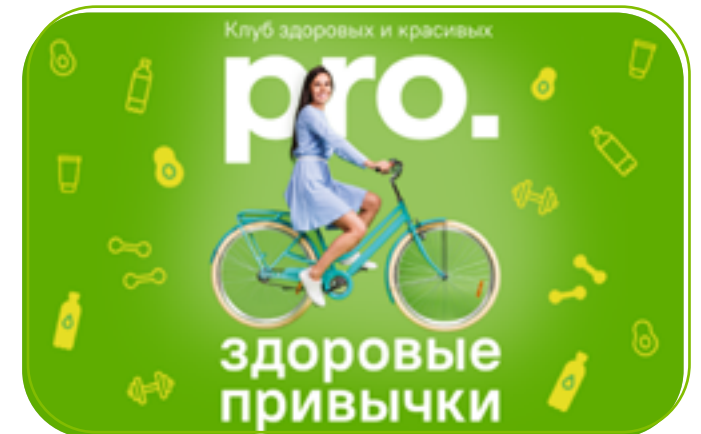
Project timespan
10 September 2021 – 29 May 2022

<https://www.prav-pit.ru/healthy-consumer>

pro.healthy habits club

The new thematic pro.healthy habits club was established to provide comprehensive, reliable and practical information on healthy lifestyles and beauty trends. Club members will have access to useful articles and recommendations, new product reviews and announcements, as well as tips and comments from experts. The club will also feature video tutorials and free workshops by beauty experts, as well as healthy and delicious recipes, tests, quizzes, and marathons.

The pro.healthy habits club is available through the Company's mobile app and provides its members with an access to increased bonuses for purchasing health and beauty products, personalised promotions, exclusive contests and giveaways, and special offers from club partners.



pro.healthy habits club

<https://magnit.ru/info/beauty/>

My Magnit magazine

Since 2020, the Company has been publishing My Magnit, a magazine for its customers exploring the topics of health and well-being. The magazine publishes articles about healthy lifestyles, beauty, nutrition and products available at Magnit, as well as other content, including as trends, tips, collabs with customers and bloggers, etc. To achieve high production value, we engage experts from various fields, such as renowned chefs, nutritionists and dietitians, beauty and health experts, athletes and trainers, Russian doctors and scientists, representatives of leading food producers, and our in-house specialists.



My Magnit's latest issues:

<https://magnit.ru/magazine/>

Gastronom media platform

To facilitate the digital transition of its magazine, Magnit partnered with Gastronom, a leading culinary media in Russia, to develop an online media platform about food and healthy lifestyles. This partnership will enable Magnit to attract new audiences, enhance its communications with customers, and potentially create an additional source of both online and offline customer traffic.



Gastronom media platform is available at

<https://www.gastronom.ru/>