

• CHAPTER 8 •

Communities

Communities

Material topics

Supporting

local communities

Personnel

management and decent
working conditions

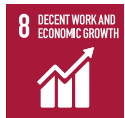
Sustainable

supply chain

Creating

financial value

Priority SDGs



2021 highlights

- RUB 19 bl contributed to **regional budgets** across the Company's geography
- **In 2021, Magnit added 870 Russian suppliers**, increasing the total number of its local suppliers by 19% YoY.
- **Over 4,500 employees completed training** on interacting with customers with disabilities as part of the Kind Bunny project.
- **The Kind Bunny – Inclusive City project** won second place at the #WEARETOGETHER international award
- **A Corporate Volunteering Programme** developed
- **5,600 volunteers took part in volunteer initiatives**, including community clean-ups, visits to infant orphanages and animal shelters, blood donations, and other activities.

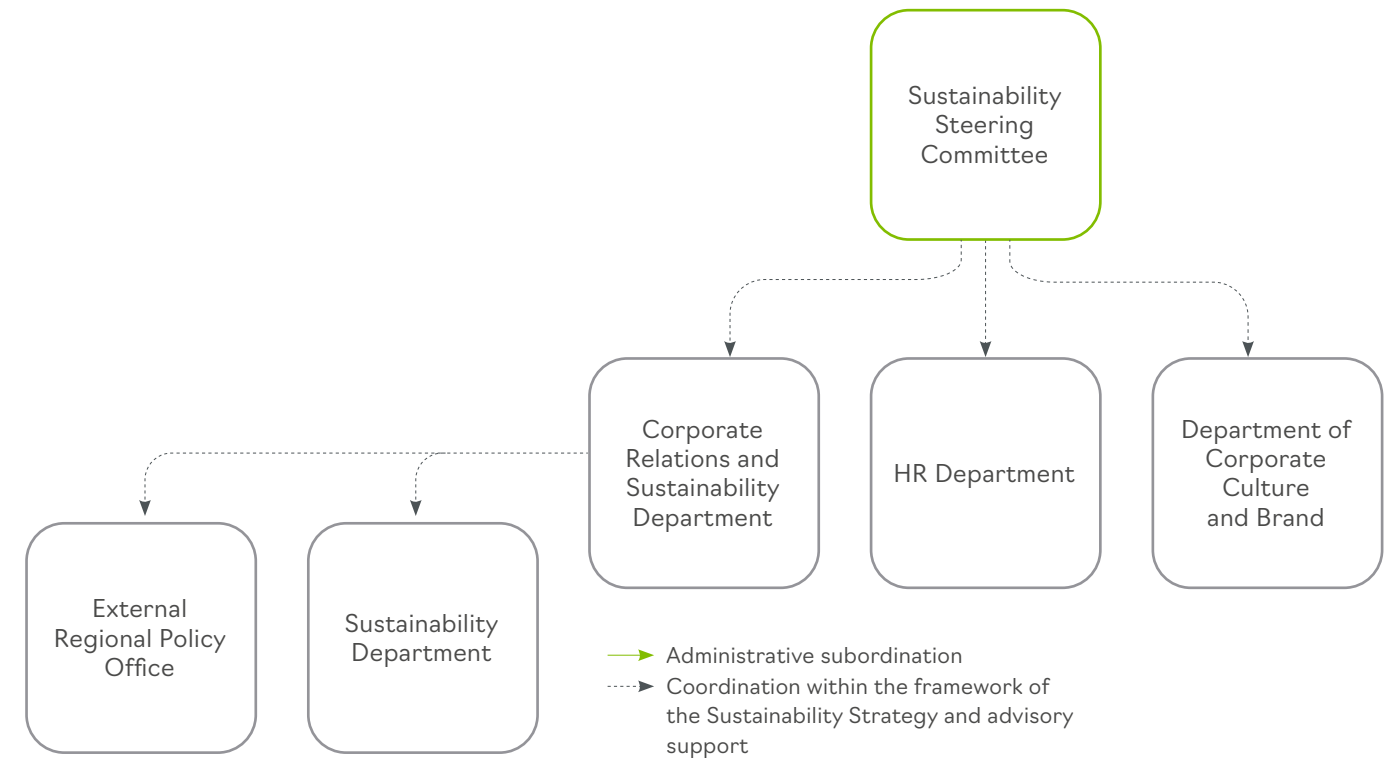
Key documents

Magnit's policies and documents

- Charity, Sponsorship and Volunteer Policy
- Magnit's Corporate Volunteering Programme



Governance structure



Progress towards our goals

<p>Strategic goal to 2025</p> <div data-bbox="1670 1486 1774 1587"> </div> <p>10% volunteering employees</p>	<p>2021 performance</p> <div data-bbox="1905 1478 2211 1703"> </div>
<div data-bbox="1670 1740 1774 1841"> </div> <p>Community programmes for all the regions of the Company's presence</p>	<ul style="list-style-type: none"> — Social projects in 2021 covered all 67 regions where Magnit operates



Our approach

GRI 203-2, 413-1

As we expand our footprint across Russia, we seek to contribute to the development of these regions and improve people's well-being. For over 28 years we have provided local communities with quality and affordable products, fostering health and welfare of our customers and creating jobs.

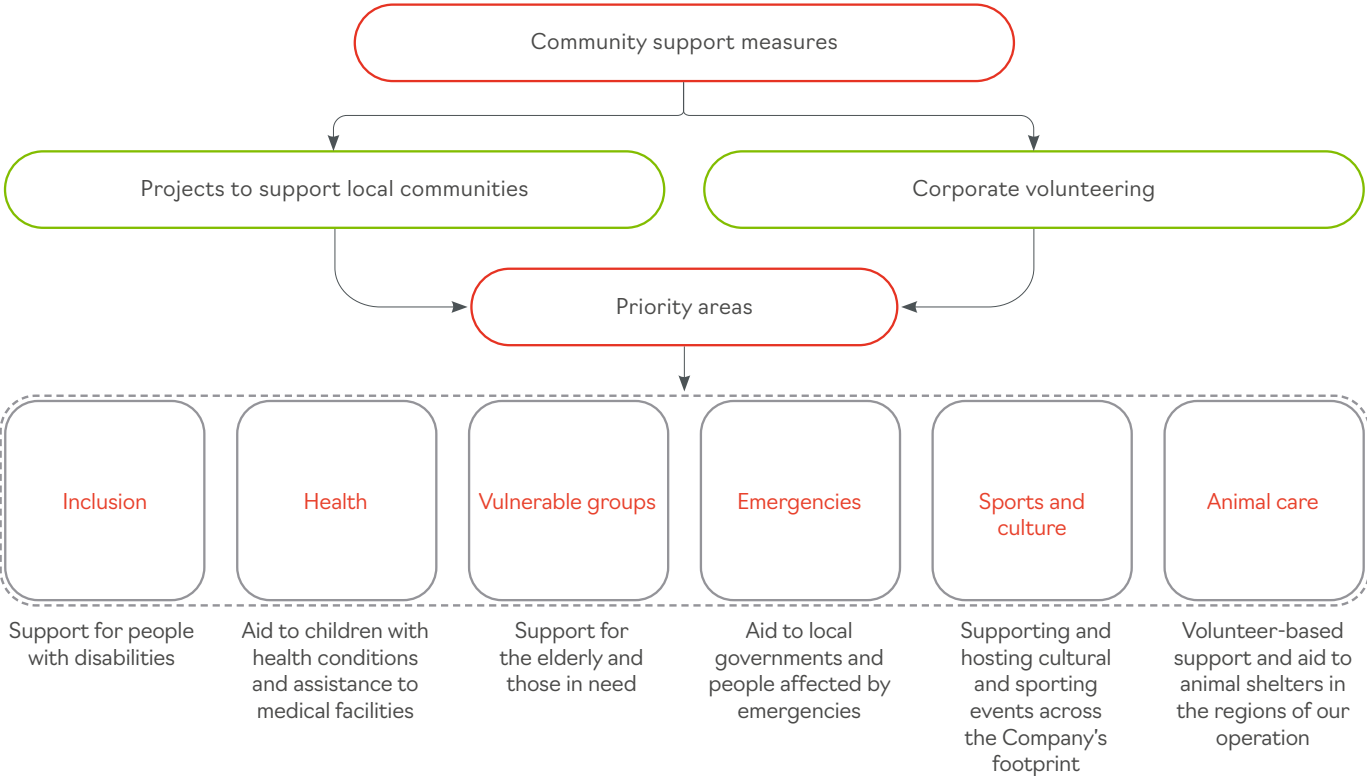
Magnit's Sustainability Strategy 2025 defines key priority areas and sets strategic social

For over **28** years
we have provided local communities with quality and affordable products

over **133** million people
Magnit's geography covers

goals for the regions where the Company operates, helping to engage our employees in corporate volunteering, charity work, and emergency assistance. Our activities are in line with UN Sustainable Development Goals and the priority charitable and volunteer initiatives set out in Magnit's policy. We work in constant dialogue and close cooperation with local communities across our footprint.

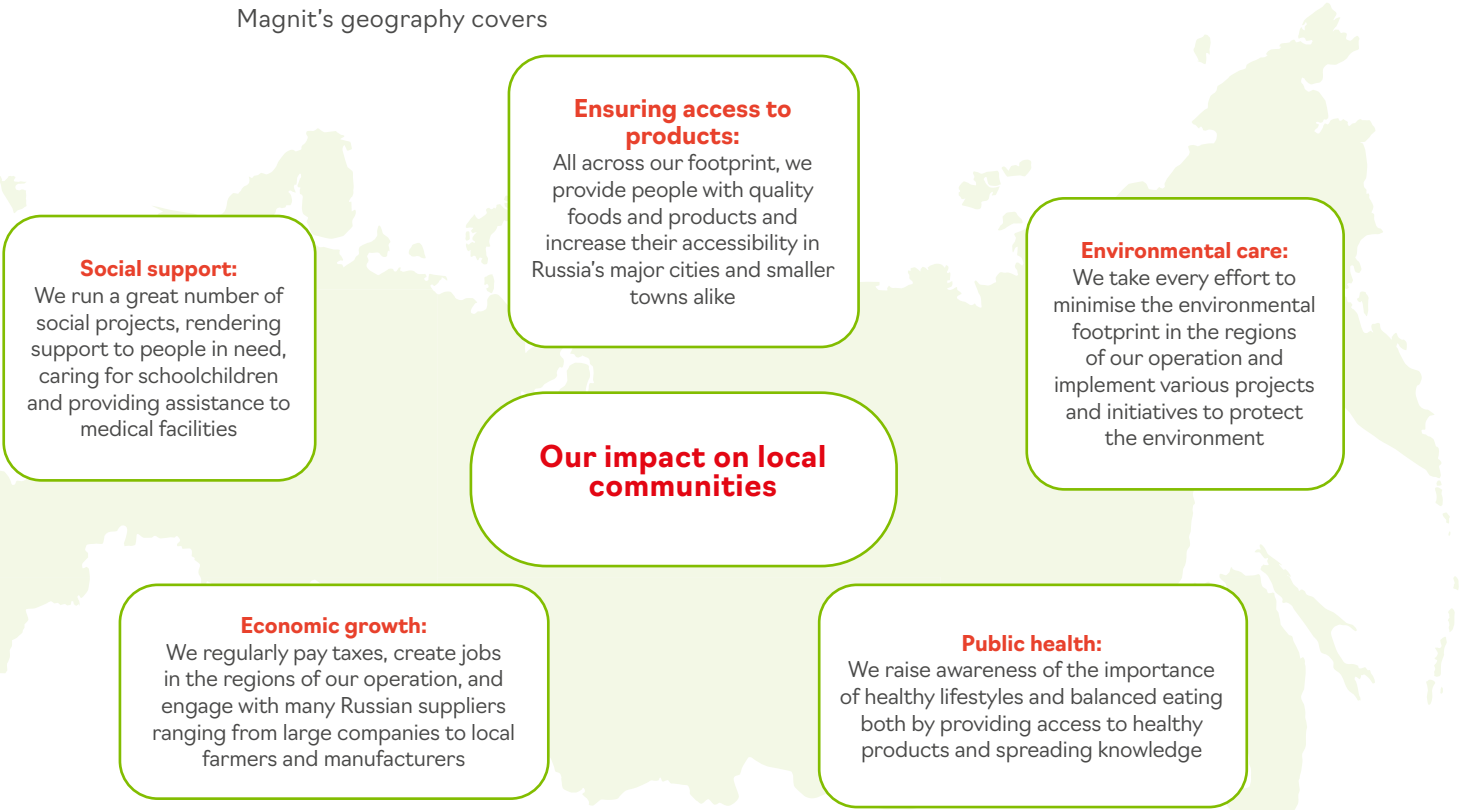
The goal of initiating local community development projects across our geography is enshrined in our Strategy 2025. Today, we are proud to report that Magnit has implemented projects to improve people's well-being in all 67 regions where it operates. To make our contribution most effective, we decided to focus on several priority areas.



In shaping our approach to local community development we seek to understand and meet people's needs, helping to redress social and environmental problems in partnership with local authorities.

Our partners in 2021

In implementing our social projects, we have partnered with major international organisations and charitable foundations, including Mars, P&G, Nestlé, and Foodbank Rus.



Engaging with local communities

Authorities	People	Charitable foundations	Educational and healthcare institutions
Magnit closely cooperates with local authorities by participating in government working groups and meetings. We also collaborate with the Federal Antimonopoly Service and the Ministry of Industry and Trade.	The Company is always open to dialogue with local communities, constantly surveying their needs and suggestions and engaging local suppliers. We also take into account the opinions of our employees, as they are usually well aware of the existing issues in their communities, including through social media.	Magnit partners with regional charitable foundations for joint events and volunteering initiatives in support of vulnerable groups.	To create a talent pool, we offer internships for students across our geography and help arrange third-party lectures and seminars. We closely collaborate with regional healthcare institutions, including as part of the effort to fight the COVID-19 pandemic.

Key social projects

Contributing to an inclusive environment

Federal project

Kind Bunny – Inclusive City project

Since 2020, we have been sponsoring the Kind Bunny project, which seeks to create an inclusive environment in the retail and services sector by training employees to interact with people with disabilities

A pilot project launched in Veliky Novgorod

The pilot successfully implemented in the Northwestern Federal District

The project rolled out across Magnit's footprint

2020

2021

2022

In 2021, the pilot was expanded across Russia's Northwestern Federal District, with over 4,500 Magnit employees completing the training by the year end. They received badges with the project logo so shoppers would feel comfortable to approach them. More than 90% of our trained employees have given positive feedback on the project, with Kind Bunny stickers placed at the entrance to participating Magnit stores.

The success in the Northwestern Federal District inspired us to roll out the project across the Company's geography. In 2022, the training will be available to all our customer-facing employees. The stores with over 80% of their employees properly trained will display stickers with the project logo, providing a smoother shopping experience for people with disabilities.

In 2021, Kind Bunny – Inclusive City won the second prize in the business competition of the #WEARETOGETHER international award for helping people and promoting inclusivity. Held under the Russian President's aegis, the #WEARETOGETHER international award seeks to foster a culture of mutual assistance, support leaders of social change, and promote initiatives aimed at helping people and improving well-being.



over **4,500** employees completed the training in 2021



Supporting vulnerable groups

Federal project

Pure Happiness with Tide

In 2021, Magnit partnered with Procter & Gamble's Tide to launch a Pure Happiness with Tide charitable programme in 15 cities across Russia. As part of the project, residents could donate clothes they no longer needed by taking them to a mobile laundry. The collected clothes were thoroughly sorted, with items in good condition given to families in need and rags sent for recycling. People could also contribute to the project by buying Tide powder or liquid detergent at Magnit stores, with one rouble from each purchase going to fund clothing donations. In other cities, you could drop off your clothes in special containers or bring them to the collection points of our partners marked on the Useful City map.

Emergency support

Southern Federal District

Flooding in the Krasnodar Territory

Magnit provided humanitarian aid in the wake of devastating floods in the Krasnodar Territory, sending 3,000 food kits to Tuapse District and Goryachy Klyuch in July 2021 and 2,000 kits to Anapa in August 2021.

Accident at a water pumping station in Krasnodar

In December 2021, we responded to the request from Krasnodar authorities by donating 1,500 five-litre bottles of drinking water following an accident at a local pumping station.

Supporting children

Central Federal District

Donate Food project

In 2021, Magnit joined forces with the Tver Foundation in a charitable alliance to collect long shelf life food for vulnerable groups at five Magnit stores. During the first six months of the project, we collected as much as 1.5 tonnes of groceries, with volunteers helping to make food kits and distributing them to single pensioners and large families in need. In October 2021, eleven more stores joined the project in Tver and the Tver Region. Given its major success, we plan to carry on with the initiative.

Northwestern Federal District

New Year to Every Home

As part of the New Year to Every Home nationwide initiative, Magnit volunteers in St Petersburg and Leningrad and Murmansk regions visited children in hospitals and orphanages to wish them a happy holiday. The event is held annually by the Unified Volunteer Centre and the regional headquarters of the #WeAreTogether initiative in tandem with the Foodbank Rus and Magnit. Volunteers handed out around 2,000 sweet gifts donated by Magnit.

around **2,000** sweet gifts were donated as part of the New Year to Every Home nationwide initiative

Key social projects

(continued)

Other initiatives

- Magnit conducts a variety of projects aimed at protecting the environment and improving the quality of life in the regions where it operates.
- As part of the Farewell, Plastic Bag campaign, we installed drop-off boxes at our stores in Ufa to collect and recycle plastic bags, helping to clear the city of 250 kg of plastic waste.
 - We supported community clean-up events held across the North Caucasian Federal District under the Clean Cities environmental initiative.
 - The Company sponsored the construction of a playground at the Nadezhda Rehabilitation Centre for children with disabilities in the Republic of Dagestan.
 - We took part in a tree planting campaign to improve the environment in the Belgorod region.
 - Magnit helped organise the ECOquest project to promote environmental awareness, respect of nature, and waste sorting in the Saratov region.

about **250 kg** of plastic waste was collected to help clear the city, as a result of the Farewell, Plastic Bag campaign

Integrating DIXY: social projects

DIXY implements major social projects and targeted charitable initiatives across its geography, having spent a total of RUB 2.15 mln on these activities in 2021.

Food to Help project

The Food to Help project is an annual joint project with the Foodbank Rus to donate food and non-food products to disadvantaged groups. During the year, volunteers conduct regular campaigns at Magnit stores to explain customers how they can take part in the charitable project and help them buy and place their donations in special boxes. Collection boxes have been installed in 80 DIXY stores in Moscow, the Moscow region (Khimki and Dolgoprudny), St Petersburg, Kaluga and Tula.

In 2021, the project won a grant from the Mayor of Moscow to manufacture and install an additional 60 boxes in DIXY stores. Over the year, more than 2,200 adults and 1,400 children received assistance as part of the project.

1,400 children
and more than **2,200 adults** received food and non-food products as a result of the project



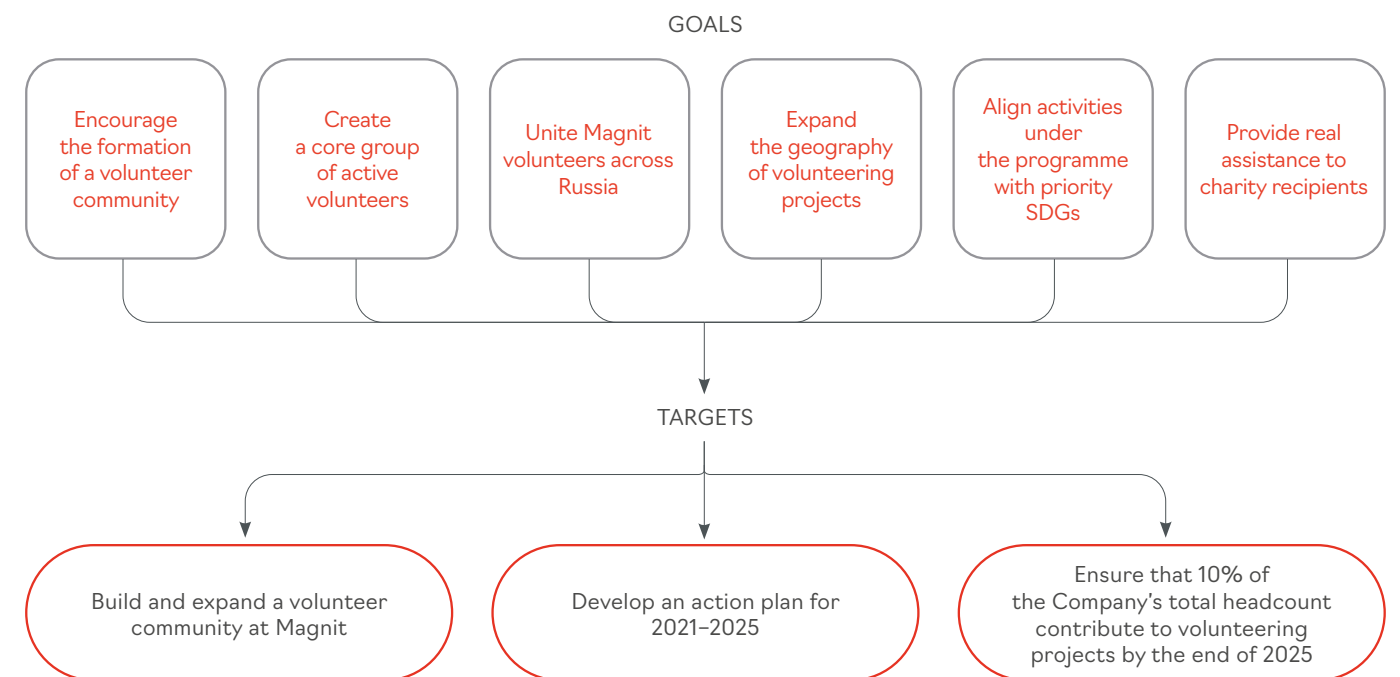
Corporate volunteering

In 2021, Magnit launched a Corporate Volunteering Programme until 2025. The programme sets out clear quantitative targets for each year, outlines activities to achieve them, and defines a communication strategy to support and promote the programme.

The Corporate Volunteering Programme is a major cross-functional effort involving the Communications, Sustainability, and HR departments. The Company's top management took an active part in launching the programme at the beginning of the year to further underscore its importance for Magnit. In 2021, we achieved the target – 8,000 employees participated in corporate volunteering initiatives.

The programme includes a bonus scheme to encourage staff involvement in volunteering activities. Additionally, the programme envisages training courses for employees to help increase the efficiency of volunteering projects and improve the personnel's hard and soft skills. The programme is scheduled to kick off in 2022.

It has three focus areas: community, animal care and environmental care. In each of these areas we have planned a number of projects and initiatives.



Community care

Siberian Federal District

Excursions for children

In the summer of 2021, Magnit joined forces with the Ministry of Labour and Social Development of the Novosibirsk region to arrange volunteer-led excursions to the Novosibirsk Zoo for children from disadvantaged families. The initiative was part of Magnit's Corporate Volunteering Programme.



Corporate volunteering

(continued)

Community care

Central Federal District

Donor Day initiative in Voronezh

In Voronezh, employees of the head office and branches donated blood as part of the Donor Day. The Blood Service set up mobile stations for blood collection and transfusion.

Siberian Federal District

Clothing donations for the poor – a joint project with the BlagoDarya charitable foundation

In the spring of 2021, our St Petersburg office launched a Yellow Container campaign. Interested employees could put their used, but still decent clothes into this container to be sold at a specialised store. All proceeds went to the Rzhevka charitable animal shelter.

Southern Federal District

Grandson by Correspondence – a joint project with the Enjoyable Ageing Foundation

In the summer of 2021, together with the Enjoyable Ageing Foundation we piloted the Grandson/Granddaughter by Correspondence project. The goal of the project is to make nursing home residents feel that there are people who care about them. A birthday or holiday card from an unknown but well-wishing volunteer can warm up the hearts of the elderly and fill in the lack of communication they often experience.

Our volunteers acted through the Enjoyable Ageing Foundation to communicate with the nursing home residents. In 2022, we plan to roll out the project across our footprint



Animal care



Kind Purchase – a joint project with Mars Petcare

At nine Magnit hypermarkets, we installed boxes to collect animal food for the Krasnodog shelter, with our volunteers delivering it to the facility. A pilot launched in Krasnodar as part of a grants competition under the auspices of the Brave Ideas Fund will be expanded to other Magnit regions.

The initiative helped collect about two tonnes of dry and wet food for cats and dogs.

We are proud that our colleagues are willing to help those in need and contribute to a culture of volunteering at Magnit through personal example. Every year, we mark the Volunteer Day to celebrate our employees. In 2021, we did it online, congratulating and awarding diplomas to the most active volunteers across our geography.

Visiting animal shelters

On 5 March 2021, our volunteers started a new tradition of visiting animal shelters during the year. Magnit employees all over Russia visit shelters to:

1. Bring food, medicine, and other essentials to shelters
2. Walk, comb, and socialise dogs and cats
3. Clean shelter grounds
4. Build kennels

We launched a campaign to collect animal food at Magnit offices, deliver it to shelters and walk dogs. About 90 people responded in the campaign's WhatsApp account, and that was in one city alone. We were off to a great start in spring and ended up having over 500 volunteers visiting shelters during the year in more than 20 cities across Russia.

Environmental care

Every year, we join forces with local authorities to arrange community clean-ups across our footprint. In 2021, over 4,000 Magnit employees took part in these events. Throughout April and May, they worked hard to tidy up our cities by sweeping and cleaning squares, parks, and waterfronts.

In Volgograd, our colleagues spruced up the embankments of Volga. In the Novosibirsk region, we helped clean the huge Kudryashovsky Bor nature reserve and the I believe in Life horse shelter at the reserve. In Samara, Magnit employees participated in cleaning the grounds of the Solnyshko and Rovesnik orphanages. In Voronezh, we combined the community clean-up activity with the Children's Day, arranging a fun family event.

Brave Ideas Fund's project – United for Healthier Future

Brave Ideas Fund's joint project with Mars – United for Healthier Future – attracted more than 260 applications from Magnit employees for projects to improve well-being. The project included a grant competition for volunteering initiatives. Of more than 120 applications, 12 received grants for RUB 50,000, including six for projects to help homeless animals.

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The Good Deeds in the Neighbourhood Telegram channel

In December 2020, we launched the Good Deeds in the Neighbourhood Telegram channel to encourage more of our colleagues and the wider public to join volunteer ranks in the regions where we operate. In the channel, we talk about different types of volunteering, explain how to become a volunteer, and share information about recent events.

Volunteering at DIXY

DIXY employees take an active part in volunteering activities, and we will continue to support and expand these initiatives as part of Magnit's Corporate Volunteering Programme for 2021–2024.

In December 2021, DIXY participated in the We Are Together nationwide project, which seeks to support the elderly, people with reduced mobility, doctors, employees of social institutions, and others who need help during the COVID-19 pandemic. Volunteers completed the full range of tasks for the project, from being trained to buying and delivering essential goods.

In the reporting year, the Moscow-North division employees collected over 350 kg of dry food, cereals, and bedding for 1,600 dogs at the Soul of the Vagabond shelter in the Kaluga Region and helped equip and clean the facility.



Join our Telegram channel and let us do good together.

https://t.me/Volonterstvo_magnit