

# Stakeholder engagement

GRI 2-25 GRI 2-29

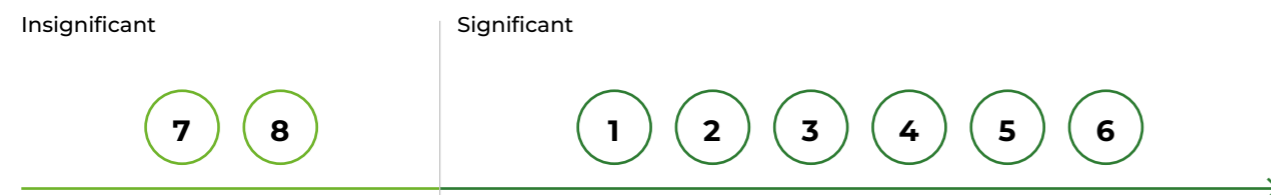
To improve Magnit's sustainability management and reporting, we identify and make a list of stakeholder groups and individuals that are or may be impacted by the Company's operations.

In 2022, Magnit continued its consistent and holistic interaction with the key stakeholders. We

take into account opinions and requests of all stakeholder groups, including those whose interests are related to the Company and who may influence its activities. In order to improve our engagement, we identify the most relevant topics for stakeholders and maintain communication on

each of them using various tools and channels to exchange views and information.

## Magnit Group's stakeholder map



Impact of Magnit Group's operations on the stakeholder

### Stakeholders

- |                      |                               |
|----------------------|-------------------------------|
| 1. Local communities | 5. Customers                  |
| 2. Top management    | 6. Shareholders and investors |
| 3. Employees         | 7. Non-profits                |
| 4. Suppliers         | 8. Government authorities     |

- Stakeholder whose interests can be impacted by Magnit Group's operations
- Stakeholder whose rights and interests can be impacted by Magnit Group's operations

## Stakeholder engagement in 2022

Stakeholder	Relevance for Magnit	Key engagement areas	Key communication channels	Examples of engagement in 2022
<b>Local communities</b>	Magnit plays an important role in society, both directly and indirectly, through its supply chain, as it sells food and is one of the country's largest private employers.  We ensure food security and support health and well-being of the nation.	<ul style="list-style-type: none"> <li>- Local employment opportunities</li> <li>- Local charities and investment in social projects</li> <li>- Contribution to the economy</li> <li>- Environmental protection</li> <li>- Food security</li> </ul>	<ul style="list-style-type: none"> <li>- Local jobs</li> <li>- Support for charitable and social programmes</li> <li>- Corporate volunteering programme</li> <li>- Educational programmes</li> <li>- Projects that develop inclusivity</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings with local authorities and cooperation agreements signed with Russian regions</li> <li>- Meetings and communication with farmers and local manufacturers regarding potential cooperation</li> <li>- Charitable initiatives in the regions (a food sharing project, programmes for children and pensioners)</li> <li>- Volunteering initiatives for environmental protection and social support of vulnerable groups</li> </ul>
<b>Top management</b>	At Magnit, key managers are responsible for communicating strategy to teams, target setting and follow-up.  Building an effective long-term incentive system for our executives is important to us.	<ul style="list-style-type: none"> <li>- Support and involvement of highest governance body</li> <li>- Competitive pay and employment terms</li> <li>- Effective team</li> </ul>	<ul style="list-style-type: none"> <li>- Management Board meets on a weekly basis</li> <li>- HR and Remuneration Committee of the Board of Directors together with the HR Director monitor the effectiveness of the remuneration system and assessment of key managers</li> </ul>	<ul style="list-style-type: none"> <li>- In the reporting year, meetings of the Sustainability Steering Committee and the Board of Directors discussed matters related to the implementation of Magnit's sustainable development projects and initiatives</li> </ul>
<b>Employees</b>	Our employees and their thinking are important to us as it is them who drive our business processes.  We seek to be an attractive employer which keeps improving working conditions and provides opportunities for professional development and career progression.	<ul style="list-style-type: none"> <li>- Fair wages and salaries</li> <li>- Decent and safe working conditions</li> <li>- Compensation and benefits</li> <li>- Training, skills coaching, and professional development</li> <li>- Equal Opportunities Policy and inclusive environment</li> <li>- Mental health</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate portal and mobile app for employees</li> <li>- Corporate University</li> <li>- Professional knowledge assessment</li> <li>- Annual engagement surveys</li> <li>- Hotline</li> </ul>	<ul style="list-style-type: none"> <li>- Staff training in occupational safety and accident investigation</li> <li>- Launch of the Sharing the Warmth initiative for employees aged 60+</li> <li>- Employee engagement surveys</li> <li>- Professional skills competitions and mentor contests</li> <li>- Pilot employee cashback project implemented at 14 branches and offices in Moscow and the Moscow region</li> <li>- Seaside Vacation social programme for employees with children</li> <li>- Summer Is Vitamin P Time programme offering Magnit's employees temporary jobs at the Company's stores in Russian resort cities during the summer months</li> </ul>

Stakeholder	Relevance for Magnit	Key engagement areas	Key communication channels	Examples of engagement in 2022
<b>Suppliers</b>	Our suppliers play a leading role in providing product variety, quality, and value to our customers. We build long-term win-win relationships based on trust and mutual respect.	<ul style="list-style-type: none"> <li>- Sustained joint business development</li> <li>- Sales volumes</li> <li>- Customers assessing quality of supplier products</li> <li>- Reduction of environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>- Joint assortment planning and merchandising efforts</li> <li>- Joint projects to reduce the environmental impact and promote sustainable development principles</li> <li>- IT communication platforms: supplier engagement portal, supplier relationship management (SRM) online portal and logistics software</li> <li>- Industry conferences</li> <li>- Supplier fairs</li> <li>- Procurement sessions</li> </ul>	<ul style="list-style-type: none"> <li>- A series of webinars on the Voluntary Sustainable Packaging Standard for the Company's suppliers and partners</li> <li>- Meetings with local suppliers and farmers as part of cooperation under agricultural contracts</li> <li>- Launch of an aggregator for centralised supply of farm products to the chain's stores</li> </ul>
<b>Customers</b>	We prioritise customers in our efforts to improve the range, quality, and price of our products, as it is their needs and opinion that guide us in decision-making.	<ul style="list-style-type: none"> <li>- Product and service quality</li> <li>- Choice (assortment)</li> <li>- Inflation (prices)</li> <li>- Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>- Our stores (checkout counters, information screens, price tags, in-store communications, advice from beauty experts at Magnit Cosmetics and pharmacists, etc.)</li> <li>- Loyalty programme and the Magnit: Promos and Discounts mobile app</li> <li>- Delivery app</li> <li>- Digital channels (social networks, messengers, map applications)</li> <li>- Hotline</li> </ul>	<ul style="list-style-type: none"> <li>- Launch of a project to handle customer queries via Google, Yandex and 2GIS map apps</li> <li>- Everything to the Family and Relatives survey in the Central District</li> <li>- Launch of a Magnit of Habits healthy lifestyle marathon for customers</li> <li>- Launch of a Gastronom media platform for Magnit customers</li> </ul>
<b>Shareholders and investors</b>	The Company is keen to attract new investors and retain existing ones. We maintain an ongoing dialogue with the investment community, equally paying attention to all categories of investors.	<ul style="list-style-type: none"> <li>- Strategy execution and achievement of targets</li> <li>- Dividends / capital gains</li> <li>- Macroeconomic situation, inflation, promo activity</li> <li>- Status of business transformation</li> <li>- Plans for retail chain expansion and M&amp;A opportunities</li> <li>- Business sustainability and profitability</li> <li>- Improved working capital management</li> <li>- Management KPIs and incentive schemes</li> <li>- Changes in the management team</li> <li>- Changes in the shareholding structure</li> </ul>	<ul style="list-style-type: none"> <li>- Magnit's press centre</li> <li>- Magnit's IR Department</li> <li>- Road shows</li> <li>- Conferences and other events</li> </ul>	<ul style="list-style-type: none"> <li>- Press releases announcing operational and financial results</li> <li>- Conference calls</li> <li>- Offline and online meetings</li> <li>- Site visits</li> <li>- Participation in conferences, forums and round tables</li> </ul>

Stakeholder	Relevance for Magnit	Key engagement areas	Key communication channels	Examples of engagement in 2022
<b>Non-profits</b>	Partnerships with non-profits and charitable foundations are an essential tool for us to achieve our goals of supporting local communities and improving living standards in the regions where we operate.	<ul style="list-style-type: none"> <li>- Helping people in need, people with disabilities, vulnerable groups, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Regular organisation of events and volunteer activities involving charitable foundations</li> <li>- Involvement of volunteers from non-profits to jointly work on social projects</li> <li>- Provision of resources for increasing the social value created</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in a Give a Holiday charitable marathon to support socially vulnerable groups in the Volgograd region</li> <li>- Launch of a food sharing project in collaboration with the Foodbank Rus charity foundation</li> <li>- Running the Good Garland campaign to support young orphans in partnership with the Raoul foundation</li> </ul>
<b>Government authorities</b>	Our business follows the rules established by government authorities.	<ul style="list-style-type: none"> <li>- National food security</li> <li>- Regulation providing for access to quality products and food for all people irrespective of their income level</li> <li>- Import substitution policy</li> <li>- Access to the shelves for Russian manufacturers</li> <li>- Combating and preventing the spread of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings, round tables, workshops</li> <li>- Public events with government authorities (forums, conferences)</li> <li>- Public hearings, participation in regulatory impact assessment, and assessment of the actual impact of regulatory legal acts</li> <li>- Working groups, including as part of the regulatory guillotine</li> <li>- Regular reporting</li> </ul>	<ul style="list-style-type: none"> <li>- Signing a cooperation agreement with the government of Khakassia to support local manufacturers</li> <li>- Signing an agreement with the Ministry of Industry and Trade of the Novgorod region to support the issue of Care social discount cards</li> <li>- Discussing cooperation with local producers and staples supplies as part of a meeting with Alexander Bogomaz, Governor of the Bryansk region</li> <li>- Meeting with Alexey Russkikh, Governor of the Ulyanovsk region, to discuss Magnit's local growth prospects</li> </ul>