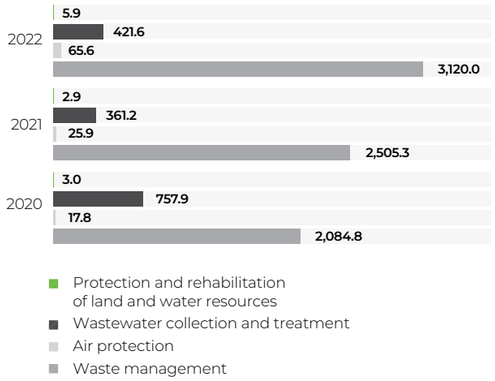
### Magnit's environmental footprint reduction expenses, RUB mln



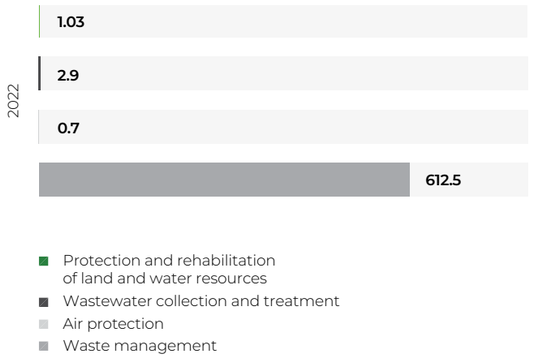

Magnit's air protection expenses increased by more than 2.5x due to the need to draft submissions for, and obtain, new permits. The cost of protection and rehabilitation of land and water resources doubled for the same reason. Waste management expenses grew by 96% due to higher recycling rates and the expansion of the Magnit retail chain. A slight increase in wastewater collection and treatment costs (+17%) is attributable to the need to conduct additional laboratory tests of wastewater under industrial control programmes at the inlet and outlet of treatment facilities, which helps assess the treatment effectiveness and fine tune the wastewater treatment equipment. Magnit's total spending on minimising its environmental impact in the reporting year was RUB 3,613.1 mln.

DIXY

In 2022, Magnit's total environmental footprint reduction expenses (including DIXY's expenses) amounted to RUB 4,230.3 mln. The Group's mandatory environmental payments in the reporting year stood at RUB 6.9 mln.

DIXY's total expenditure on environmental protection in 2022 was RUB 5.33 mln.

### DIXY's environmental footprint reduction expenses in 2022, RUB mln[1]




[1] DIXY's total waste management costs include fees to the regional operator for waste removal from stores to DCs and directly from DCs, costs for disposal of liquid household waste at treatment facilities and disposal of packaging waste to meet its extended producer responsibility obligations.

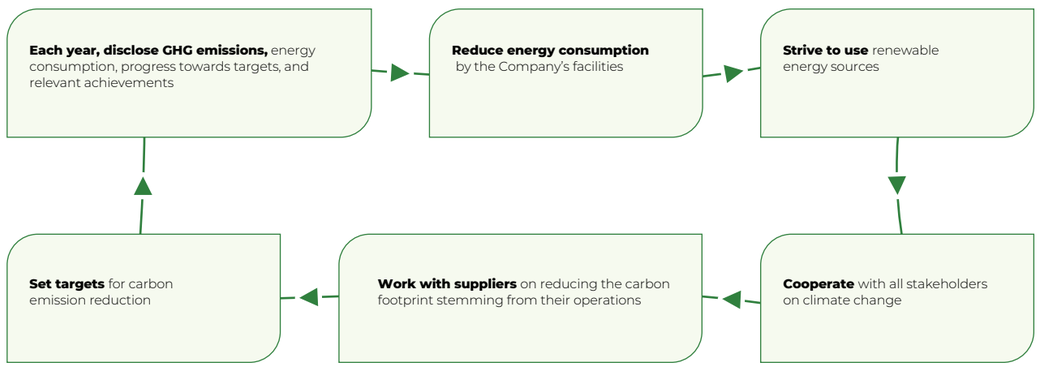
# Climate change

We are fully aware of the importance of the climate agenda and seek to control the impact on climate change and reduce our carbon footprint.

## Our climate position

As Magnit grows and expands, so does its need for energy and natural resources. This comes with associated GHG emissions from electricity and heat consumption by its retail chains, distribution centres, industrial and agricultural facilities, offices, fleet and refrigerants.

### Ways to reduce Magnit's impact on atmospheric air and climate in general




In 2020, we adopted a climate change policy that outlines climate change principles and responsibilities of Magnit and its controlled entities. Our Sustainability Strategy 2025 includes targets to reduce GHG emissions and energy consumption.

| Strategic goal to 2025 | 2022 performance |
|---|---|
| 30% GHG emissions reduction | 26.7% reduction in specific GHG emissions vs the 2019 base year (2.28 tonnes of $CO_2$ eq / RUB mln) |
| 25% energy consumption reduction | 16% reduction in specific electricity consumption vs the 2019 base year (1,690.60 kWh / RUB mln) |

## Climate risks

In 2020, we did an internal climate risk analysis, which included assessment of such risks' potential impact on Magnit up to 2050; based on that, we determined mitigation measures. The analysis was done according to the "business as usual" scenario (RCP 8.5), which describes a temperature rise of around 4 °C by 2100.

### Physical risks

Risks stemming from phenomena such as rising temperatures, drought, and storms, as well as rising sea levels.

- **Rising temperatures –** net increase in days requiring heating or cooling of the Company's facilities. Mitigating actions include energy efficiency efforts and looking into renewable energy sources.
- **Drought –** reductions in crop yields. Mitigating actions include more sustainable agricultural practices and technology and seed innovation.
- **Storm intensity –** potential damage to the Company's facilities. Mitigating actions include improved construction specifications, especially for distribution centres.
- **Rising sea level –** Mitigating actions include facilities sitting and construction specifications that take into account the likelihood of a rising sea level.

### Transitional risks

Risks associated with the shift to a low-carbon economy.

- **Introduction of carbon pricing** and increased costs related to waste disposal. Mitigating actions include progress towards carbon neutrality and reducing GHG emissions and waste.
- **Regulatory risks.** We regularly monitor applicable requirements to climate risks and emissions reporting. Based on available information, we strive to improve the Company's approaches to reporting and stay one step ahead of new mandatory disclosure requirements.

[1] Magnit Group data for 2022 include DIXY.
[2] Representative Concentration Pathways (RCPs) are greenhouse gas concentration trajectories adopted by the Intergovernmental Panel on Climate Change (IPCC) and scientists the world over.

We are aware of the serious consequences of global warming and climate change for our planet, our country, and the regions in which we operate. In 2021, we included climate risks to the Company's Key Risks Map. This enabled us to carry out year-round monitoring of their short-term impact on the Company and adjust the relevant mitigating measures as part of the general risk management system.

### Our performance in climate risk assessment

**2020**

Qualitative risk assessment until 2100, carbon footprint reduction targets set

**2021**

Climate risks integrated into the management system

**2023**

Monitoring legislation, national regulators' and international institutions' approaches to climate risk management and possible climate risk controls. Streamlining and developing appropriate approaches to addressing and monitoring climate risks by the Company

In the reporting year, we adjusted the schedule of preparation for financial assessment of climate risks and opportunities due to political and economic circumstances affecting the business environment and in anticipation of potential changes to climate regulations. As international supervisory bodies are working to align their approaches to monitoring, regulating and addressing climate-related risks, the national legislation continues to evolve rapidly, yet there is still no clear regulatory framework in place that defines how businesses should account for climate risks. We continue to monitor and assess potential impact of climate risks on Magnit Group, trace and collect data on GHG emissions and other climate change factors, and keep a close eye on legislative initiatives related to the climate agenda.