

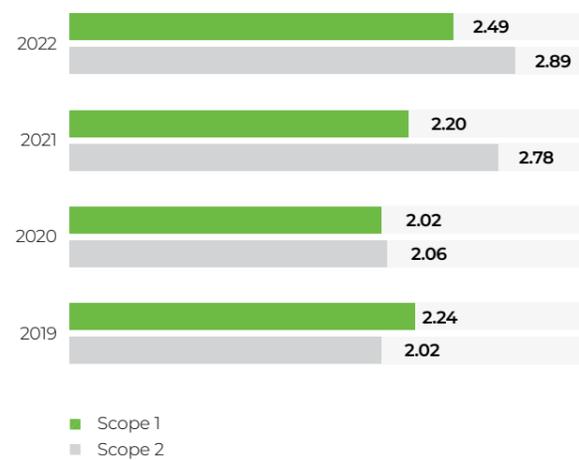
Emission reduction

Cutting specific GHG emissions

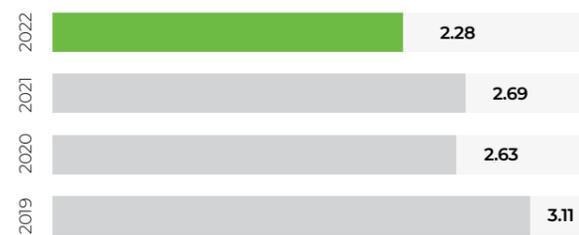
We monitor direct (Scope 1) and indirect (Scope 2) GHG emissions.

GRI 305-1 GRI 305-2

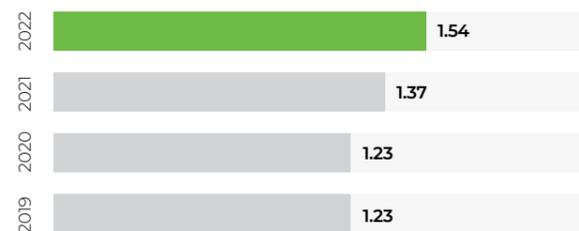
Magnit Group's GHG emissions (Scope 1 and 2), mln tonnes of CO₂ eq¹



Magnit Group's specific GHG emissions (Scope 1 and 2), tonnes of CO₂ eq / RUB mln¹



Magnit Group's direct GHG emissions from refrigerants, mln tonnes of CO₂ eq¹

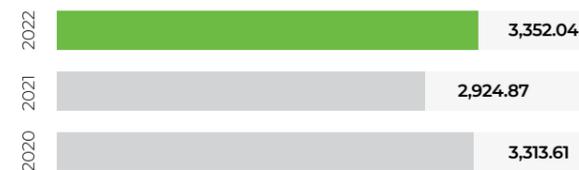


In the reporting year, Scope 1 and 2 GHG emissions increased by 13% and 12% respectively due to a significant expansion of Magnit Group's retail chain. Magnit Group's specific GHG emissions were down 15% YoY and 27% vs the 2019 base year (2.28 tonnes of CO₂ eq / RUB mln).

We consistently reduce emissions of NO_x, SO_x and other significant air pollutants and conduct inventories of emission sources.

GRI 305-7

NO_x, SO_x, and other significant air emissions, tonnes, Magnit



The 14.6% increase in pollutant emissions in 2022 was due to pollutant emission inventories at the facilities and the expansion of Magnit's chain.

In the reporting year, the calculation of Magnit Group's pollutant emissions included emissions from DIXY (39.89 tonnes). The Group's total pollutant emissions amounted to 3,391.93 tonnes.

Magnit Group emissions of ozone-depleting substances (ODS) in 2022 amounted to 475.9 tonnes².

¹ Magnit Group data for 2021–2022 include DIXY.

² In the reporting year, we changed the methodology of ODS emissions calculation. In previous periods, only R22 freon (halocarbon) emissions were taken into account, while the calculation for 2022 relied on emission data for eight ODS.

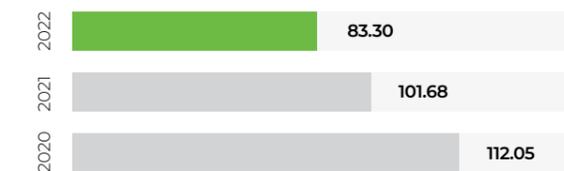
Reducing specific fuel consumption

GRI 302-1 GRI 302-4 GRI 305-5

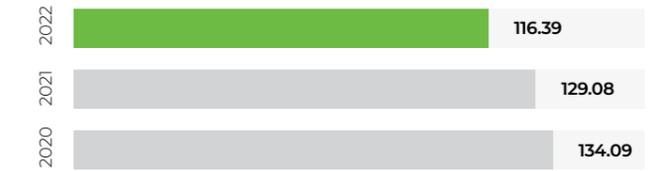
In the reporting year, we continued to work on reducing fuel consumption by modernising our fleet and switching vehicles to more environmentally friendly fuels. In 2022, the Company operated 254 gas-diesel vehicles. The action taken helped us reduce specific

fuel consumption by 18% compared to 2021 and by 48% compared to the 2019 base year (160.61 litres per RUB mln). In addition, we decreased specific gas consumption by 10% compared to 2021 and by 41% compared to the 2019 base year (197.63 cbm per RUB mln).

Magnit Group's specific gasoline and diesel consumption, litres per RUB mln³



Magnit Group's specific gas consumption, cbm per RUB mln³



Unmanned logistics corridors testing

In July 2022, we joined the Unmanned Logistics Corridors initiative on M11 Neva highway. Magnit believes that unmanned lorries have enormous potential, as their introduction can significantly reduce transport logistics costs – thanks to automating the regular freight traffic on long-haul routes – and improve road safety. An important upside of this technology is that it enables the Company to reduce the environmental impact on roadside areas by reducing fuel consumption and exhaust emissions. The integration of unmanned cargo deliveries into supply chains marks a new stage in the evolution of logistics processes.



³ Magnit Group data for 2021–2022 include DIXY.

Improving energy efficiency

GRI 305-5

We are constantly looking for new ways to improve energy efficiency, striving to optimise the power load of our facilities and decrease energy consumption by partially shutting down electrical equipment in peak hours.

In this way, we contribute to reducing the load on the energy system and cut our own utility costs.

The share of electricity supply generated by renewable energy sources (RES) stood at 5%. Magnit is currently unable to directly source energy from renewables, as the Company does not control the wholesale electricity distribution in Russia.

We utilise natural gas in 19 power generation centres. Each energy centre is comprised of several plants that run on natural gas and generate electricity and heat for our distribution centres. We sell some of the generated electricity in the open market.

All of this enables us to ensure an uninterrupted supply of heat and electricity to our distribution centres and reduce energy and heating costs.

Magnit operates an automated commercial electricity metering system that allows us to accurately measure hourly energy consumption and assess how energy consumption at our facilities varies over time.

We can see the effect of our efforts to cut energy consumption. In 2022, we increased energy consumption from our own generation facilities: electricity by 2.1% and heat by 7.1%.

Lighting

We continue to transition to energy-efficient LED lighting, an initiative started in 2013. There is a motion-activated lighting control system in the offices and back offices of our large-format stores. In 2022, we began rolling it out across our distribution centres. In addition, we are introducing systems for the automatic and remote shutdown of non-essential equipment, such as interior lighting, refrigerated cabinets for non-perishable foods and exterior store lighting outside working hours.

Heat energy

To reduce heat consumption, we regularly inspect our production facilities and buildings with thermal imagers, eliminate heat leaks and improve thermal insulation. In addition, we use gas generator sets installed in our power generation centres to capture heat energy and transmit it through the heating network to our facilities. This enabled us to utilise 151,762 Gcal of heat produced by power generation centres in our logistics hubs, Group's office, and the greenhouse complex.

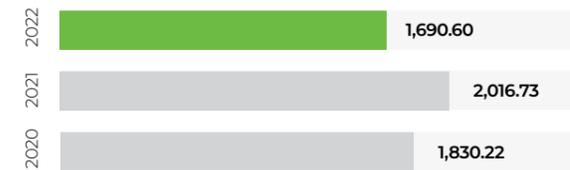
Refrigeration equipment

To reduce energy loss and energy consumption, we are upgrading our refrigeration equipment by replacing refrigerated shelves with doored cabinets. In 2022, we installed 6,947 refrigerated cabinets in 1,712 stores representing 39.6% of Magnit's total number of outlets. We will have installed such cabinets in all our stores by 2025.

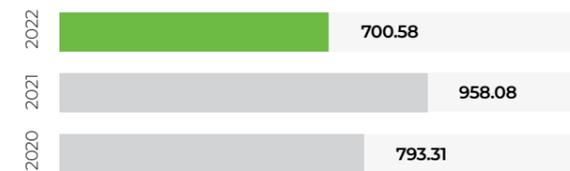
We continue optimising and monitoring the temperature in refrigerators by consistently implementing a dispatching system for our in-store engineering equipment. In 2022, we installed such system in 510 Magnit stores.

In the reporting year, our efforts to reduce energy consumption and improve energy efficiency had a noticeable effect as specific energy consumption at Magnit Group decreased by 16% from 2021 and from the 2019 base year (1,991.20 kWh per RUB mln).

Magnit Group's specific electricity consumption, kWh per RUB mln²



Magnit Group's specific heat consumption, thous. kcal per RUB mln²



Integration of magnit central asia

In 2022, Magnit Group registered Magnit Central Asia as a foreign enterprise in the form of LLC. As at the end of 2022, Magnit had 12 M Cosmetic stores in Uzbekistan. It is a promising market with a high population growth rate, which provides an excellent opportunity to expand our chain. In 2023, we will continue to promote Magnit's M Cosmetic brand and open new drogerie stores in the country.

The company follows the Group-wide environmental policy. We reduce water and energy consumption as well as waste generation.

Energy saving

The company has energy-efficient lighting and conducts regular energy audits. Office windows are coated with heat-absorbing film and tinted to reduce electricity consumption in sunny and hot weather. We also install A and A+ energy-efficient equipment at our facilities.

Paper and cardboard recycling

Store staff collects paper and cardboard packaging for further recycling.

Reducing plastic waste

Our employees have consciously rejected the use of water in plastic bottles, with filters installed in the offices to provide the staff with drinkable water.

Reducing water consumption

Stores have modern meters to monitor water and electricity consumption.

¹ Volume of electricity from Magnit's own generation facilities consumed by stores, DCs, and offices. The data is presented compared to 2021.

² Magnit Group data for 2021–2022 include DIXY.