

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 CO₂ 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.

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



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.