

Strategic goal to 2025

2022 performance

50% private labels and own production packaging recyclable, reusable or compostable

Private labels: 68% of packaging is suitable for recycling, with 24% recyclable and 44% potentially recyclable (recycling infrastructure for some components is limited)¹

Own production: 79% of packaging is suitable for recycling, with 37% recyclable and 42% potentially recyclable (recycling infrastructure for some components is limited)²

100% of plastics generated by Magnit's stores and distribution centres collected and recycled

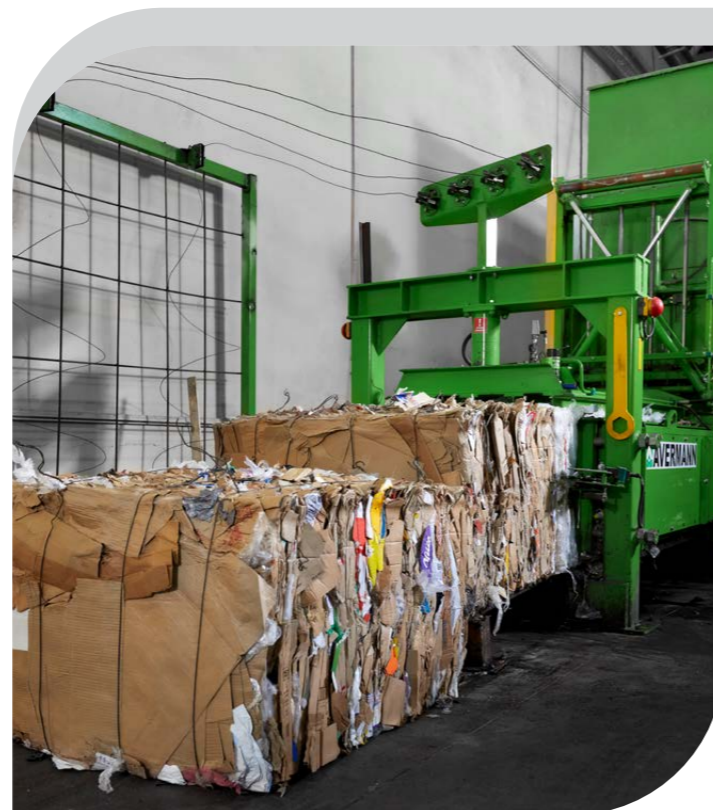
More than 99% of plastic packaging generated during transportation recycled

50% food waste reduction

52.5% reduction in specific food waste generation vs the 2019 base year (147.04 kg per RUB mln)

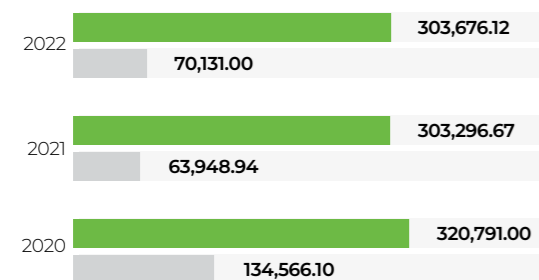
Chain waste

Packaging is the key source of waste for a retail chain. This is mostly cardboard, polyethylene film, plastic crates for fruit and vegetables, and wooden crates. The way we handle and dispose of each of these kinds of waste depends on the type and composition of their materials.



GRI 306-4

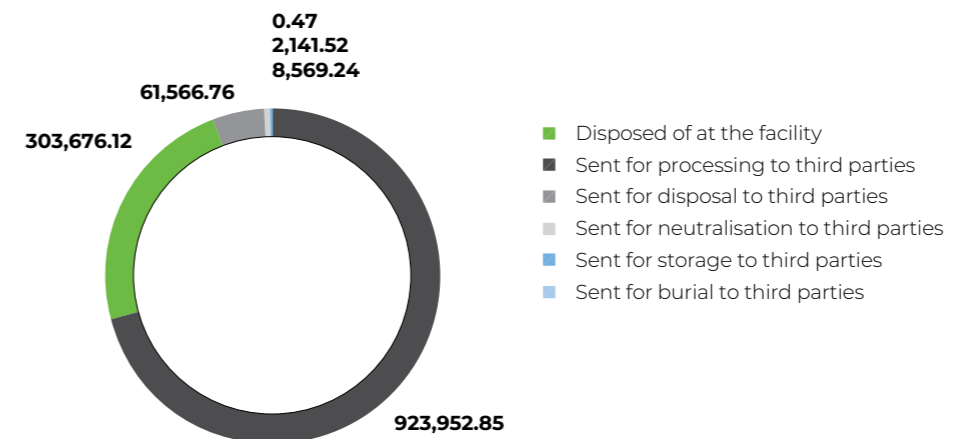
Waste sent by the Magnit Group for disposal, thous. tonnes³



- Sent for disposal to third parties
- Disposed of at the Company's facilities

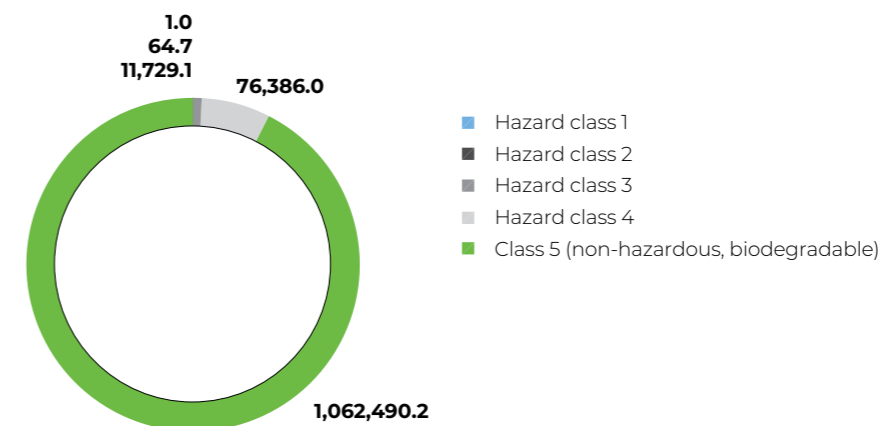
GRI 306-5

Waste sent by the Magnit Group for neutralisation, storage or handled otherwise in 2022, tonnes⁴



GRI 306-1

Waste generation by the Magnit Group in 2022 broken down by hazard class, tonnes⁴



1.15 mln tonnes
total waste generated in 2022

In the reporting year, the share of hazard class 1 and 2 waste in the total waste generated by the Magnit Group was 0.0057%. Waste generated in 2022 totalled 1,150,670.89 tonnes.

¹ Assessment methodology: compliance with the Voluntary Sustainable Packaging Standard (ECR Russia) based on the analysis of 1,145 SKUs of Magnit's private label products. In 2022, the Company assessed the body of packaging.

² Assessment methodology – compliance with the Voluntary Sustainable Packaging Standard (ECR Russia).

³ Magnit Group data for 2022 include DIXY.

⁴ Magnit Group data for 2022 include DIXY.

Plastic waste management

GRI 301-2 GRI 301-3

Most of Magnit's packaging waste is plastic. We understand the complexity and severity of plastic pollution.

To reduce our impact, we decided to achieve 100% collection and recycling of plastic waste generated by Magnit's operations. In 2022, the retail chain generated 35,549.07 tonnes of plastic waste, of which 45% (16,134 tonnes) was sent for recycling, up 18.9% YoY.



30%
 We have already switched to plastic bags that contain 30% of recycled plastics. Our bags are 100% recyclable.

40,2 tonnes
 In 2022, plastic waste generated by the Magnit Group totalled¹

GRI 306-1

Plastic waste generation by Magnit, tonnes



Plastic waste sent for recycling by Magnit, tonnes



¹ Magnit Group data for 2022 include DIXY.

Developing green recommendations for promo materials

In 2022, Magnit, together with the non-profit association of manufacturers and retailers ECR Russia and the Russian Retail Marketing Association (POPAl), which brings together developers and customers of promo materials, started developing industry guidelines to create sustainable or eco-friendly promo materials. These will cover the entire lifecycle of advertising media, from design to proper recycling. Experts will present proposals

for sustainable production and handling of promo materials. The initiative will help reduce the generation and disposal of waste in the long term. We anticipate that as soon as 2023, customers will see new advertising media at Magnit that will reduce our environmental footprint. General guidelines for sustainable advertising materials are planned to be made publicly available in 2023.

Green advertising packaging initiative

A pre-pack² is a product package that is a nicely branded portable display case with products already stacked. The manufacturer delivers pre-packs directly to the store, where it is placed in the sales area without any additional layout. As a rule, these promo materials are not recyclable, as they contain plastic, metal, and even concrete parts, which damage cutting edges and presses in recycling plants.

standard for recyclable and green pre-packs. It will be included in the industry-wide guidelines, which are currently being drafted by ECR Russia, a non-profit partnership of manufacturers and retailers. The standard will apply to racks, price tag holders, laminated and other promo items – under the guidelines, those will be made entirely from recyclable cardboard or other sustainable materials. We intend to switch to fully recyclable pre-packs within the next two years.

Together with major suppliers of goods and producers of promo packaging, Magnit is developing Russia's first voluntary

Transition to reusable promo racks

We continue to reduce our reliance on cardboard racks (pre-packs) and replace them with reusable ones. Starting from 2020, Magnit has ran six nationwide loyalty promo campaigns using new metal racks. Each has a lifespan of approximately

three years, and can be fully recycled afterwards. This has enabled us to abandon 135,000 cardboard and plastic racks and reduce the Company's cardboard and plastic waste by 810 tonnes.

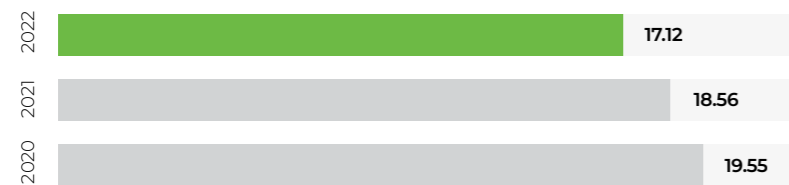
First plastic collection point in Novosibirsk

In the reporting year, we opened the first separate waste collection point at our hypermarket in Novosibirsk. We have created convenient infrastructure that will help city residents send their waste for recycling. Magnit's eco-point

accepts the most common types of plastic: bottles and containers for beverages, household chemicals and cosmetics, bags, as well as aluminium and tin cans, glass, paper, cardboard, and Tetra Pak packaging.

² Pre-packs are basically pre-packaged products.

Specific plastic waste generation by the Magnit Group (including DIXY), kg per RUB mln¹



Food waste

Food makes a significant impact on the environment – around 10% of global greenhouse gas emissions come from the decomposition of discarded food. Our goal is to halve the amount of food waste by 2025. The amount of food waste generated in 2022 totalled 316,000 tonnes. 5,637.95 tonnes of food waste was sent for recycling, up 16% YoY.

Food sharing project

About 18 million tonnes of food waste are produced in Russia each year. Almost a third of this is waste from retail and catering organisations. The proportion of food waste in landfill sites is as high as 25.6%. This waste not only increases the landfill area – it also makes other types of waste unsuitable for recycling.

At the same time 20 million Russians spend more than 5% of their income on food, and nearly 9 million people do not have enough money for the basic food basket².

The carbon footprint of food waste comes close to 64 million tonnes of CO₂.

To cut food losses, reduce the amount of food waste that is disposed of or landfilled, and minimise the impact on the environment, as well as help disadvantaged groups and promote volunteering, we launched the Retail Food Sharing project.

Food sharing is a service that helps distribute expiring foodstuffs to socially disadvantaged groups. Retail Food

Our food waste reduction initiatives

- ▶ Optimising procurement
- ▶ Increasing the amount of waste sent for recycling
- ▶ Handing over expired food products to third parties
- ▶ Donating products before their shelf life expires to charitable causes.

Sharing means that small but regular amounts of foodstuffs from stores 1–2 days before the expiry date are distributed, with the support of volunteers from partner non-profits.

According to expert estimates, by 2024, with the introduction of food sharing practices, retailers could prevent about 1 million tonnes of food from being wasted each year. This would help 1.3 million people in need and prevent 143,000 tonnes of methane emissions.

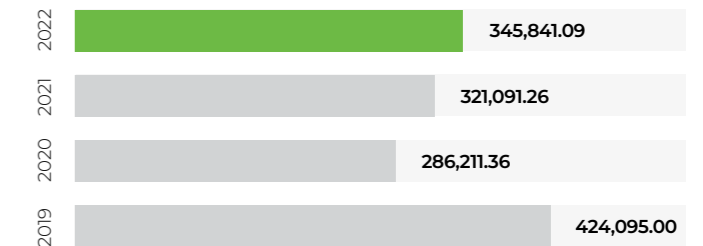
In 2022, Magnit signed a project cooperation agreement with the Foodbank Rus charitable foundation. It helps us donate expiring products to those in need. Food sharing kicked off in Moscow, the Moscow region and St Petersburg. Every day, employees of Magnit's dark store picked quality foodstuffs that could not be sold before the expiry date, sorted them into categories, and, with the help of volunteers from the Foodbank Rus Foundation, gave them to single pensioners, large families, and other eligible categories.

The food sharing project covered 30 of Magnit's dark stores. In the reporting year, the total amount of food donated exceeded 20 tonnes, and more than 11,000 people received the aid. A total of 260 volunteers took part in the initiative. Our food sharing project came second in the Eco-Efficiency category of the People Investor competition.

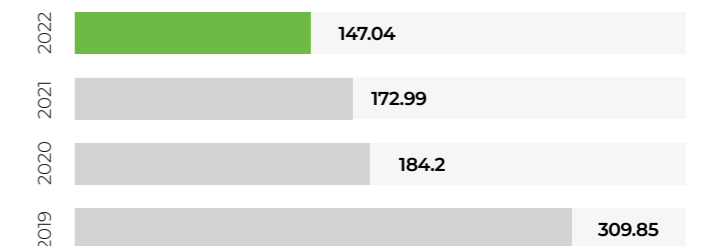
In 2023, we intend to expand the project by rolling it out in three to five Magnit supermarkets, all new dark stores, as well as DIXY stores in the Moscow region.

GRI 306-1

Food waste generation by the Magnit Group, tonnes³



Specific food waste generation by the Magnit Group, kg per RUB mln³



In the reporting year, the Group's food waste generation increased by 7.7% due to the expansion of Magnit retail chain. However, the Group's specific waste generation decreased by 12.3% compared to 2021 and by 52.5% compared to the 2019 base year (309.85 kg per RUB mln). This resulted from our consistent efforts to manage waste generation, including increasing the share of waste sent for recycling, and better procurement.

food waste generation increased

by **7,7%**

specific waste generation decreased

by **12.3%**
compared to 2021

¹ Magnit Group data for 2022 include DIXY.

² Source: data from TIAR-Centre, an independent analytical and consultancy company.

³ Magnit Group data for 2022 include DIXY