

Customer relations (continued)

Boosting cash handling discipline

Store quality depends on the smooth operation and high level of organisation at the checkout. To improve and finesse check-out operations, we have implemented a number of projects in 2022.

Cashier' rating

Our colleagues from Magnit's function responsible for checkout standards and the regional manager for the Caucasian District have developed a cashier rating to assess the performance and speed of checkout staff in large format stores. Based on the rating, we organised cashier contests in federal districts, including incentives for winners. This project allowed us to further motivate Magnit's cashiers and improve service quality.

Developing cashiers' competencies

In the reporting year, Magnit jointly with WorldSkills Russia developed the competencies of cashiers and established a contest for retail chain employees. We drafted all the necessary regulations and trained specialists to oversee all the contests. We are confident that thanks to the project we will raise the status of the cashier profession, improve skills and strengthen values among retail staff.

Checkout Expert chatbot

Magnit is committed to adopting new technologies to improve customer experience. In 2022, we created the Checkout Expert chatbot to help our staff find answers to questions about checkout processes and

standards and communicate with colleagues responsible for checkout standards to ask additional questions or submit suggestions for process improvements.

Showcase with checkout metrics

To quickly track key performance indicators at the checkout and make adjustments to staff training and onboarding, we launched checkout metrics showcases. This reduced cashier errors and breaches of cash discipline by 54%.

cashier errors and breaches of cash discipline reduced by 54%

Customer personal data protection

GRI 418-1

Safeguarding our customers' personal data that can be used for marketing purposes is an overriding priority for Magnit. We process personal data with due regard to rights' protection and freedoms

of personal data subjects, including the right to privacy, personal and family secrets.

All personal data come to Magnit from data owners or their legal representatives. Information we receive is processed in

accordance with the laws of the Russian Federation on the basis of the consent of the personal data subject. We take care to ensure data confidentiality. Upon request, the personal data owner or their legal representative can access or revoke their data.

Responsible marketing practices

When developing marketing initiatives, we recognise the impact of advertising on society and take a responsible approach to communicating reliable information. Our marketing initiatives fully comply with legal regulations, ethical standards and voluntary commitments.

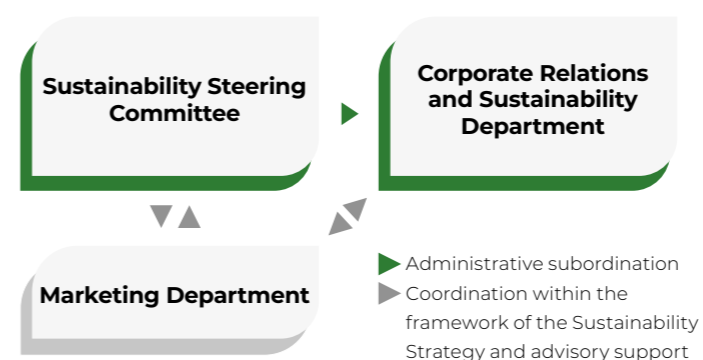
Our approach to developing marketing initiatives

We use only fair advertising methods and ensure that information regarding safety and quality of food and non-food products used in marketing communications is credible and transparent.

As one of the nation's largest retailers, we have the power to influence the habits of a wide range of customers. Thus, we seek to promote principles of sustainability both through our private labels as well as through partnerships with brands whose products are sold by Magnit.

We aspire to improve the quality of life of our customers all across Russia by promoting healthy lifestyle practices and products that contribute to a well-rounded diet. We place a particular attention to monitoring marketing materials related to alcohol and tobacco in strict compliance with all legal requirements.

Marketing project management system



Key documents

Magnit's policies and documents

- ▶ Charity, Sponsorship and Volunteer Policy
- ▶ Business Ethics Code
- ▶ Regulation on the Information Policy
- ▶ Health and Wellness Policy
- ▶ Quality, Food & Non-Food Safety Policy

External documents

- ▶ Federal Law No. 38-FZ On Advertising

Material topics

- ▶ Building long-term multi-stakeholder partnerships to support sustainable development goals

Priority UN SDGs



Responsible marketing practices (continued)

Partnership projects

Magnit develops and implements environmental, social, educational and charitable projects in close cooperation with major manufacturers of food and other products. These projects raise the customer awareness of sustainability.

Magnit's Ecohouse and Procter&Gamble

In February 2022, Magnit and Procter & Gamble launched the Ecohouse project, aimed at popularising responsible consumption and respect for natural resources. The project offers anyone the opportunity to rent a flat that boasts a positive impact on the environment: saving water, energy, sorting and separate collection of household waste. The flats feature Magnit and Procter&Gamble products that can make our everyday lives more eco-friendly.

Caring in the Nature of Things project

Supported by the Retail Companies Association (ACORT), Russian retail majors, including Magnit, launched Caring in the Nature of Things, their first joint project to encourage customers to utilise reusable bags. Customers at largest Russian retail chains

were given the opportunity to purchase an eco-friendly shopping bag at the checkout as an affordable and convenient alternative to plastic bags with its cost refunded in the form of bonus points. Consumers were rewarded with loyalty programme points for reusing the bag.

Sensor playground in Nizhny Novgorod

In cooperation with the So-edinenie (Connection) Support Fund and Bayersdorf, a leading manufacturer of care and hygiene products and the owner of NIVEA, we opened the first special inclusive playground for children and teenagers with vision and hearing impairments in Nizhny Novgorod. An area for sensory skills development appeared next to the Open Doors Day Care and Accompanied Engagement Centre, which was established in February 2022. Children with disabilities now have their own unique outdoor space.

Supporting Khabenskiy's Charity Foundation

Together with MONDELEZ RUS, which supplies Milka confectionery, we launched the campaign Giving Tenderness to Everyone Who Cares for children with brain and spinal cord diseases supported by Khabenskiy's Charity Foundation. A rouble from every purchase of Milka-branded products was transferred to the Foundation's account, and our customers received bonuses on their Magnit loyalty cards.

Supporting animal welfare organisations and animal shelters

Magnit took an active role in supporting events to help animal shelters and animal welfare funds organised in conjunction with pet products manufacturers.

As part of our joint promotion with Nestlé Russia, Let's Walk Home, our customers who purchased Purina pet food in Magnit stores received bonuses on their Magnit cards and were enrolled in a prize draw. Magnit donated a rouble to an animal welfare fund from every food purchase as part of the promotion. More than 1.2 million customers across the country took part in the initiative.

Our Sharing is Easy charity project was organised and run jointly with Mars. As part of the campaign, we donated 5% of the price of any Mars-branded pet product purchased in our stores to help

animal shelters. Those who bought these products received bonuses on their Magnit loyalty cards and participated in a prize draw. A total of RUB 5 mln was donated to

animal welfare funds and shelters, with more than 6,700 people taking part in the campaign.

Magnit of habits communication platform

We committed to supporting our customers in their pursuit of a healthy lifestyle. To help them adopt new healthy habits, we launched Magnit of Habits, a socially-oriented communication platform. It is a long-term, country-wide initiative that draws customers' attention to areas of life related to environment, health and mental wellbeing. Its media platform is based on a partner web portal, Gastronom.ru.



▶ taking care of the world around you, yourself and your pets



▶ finding new things in the familiar



▶ taking care of the home and family with a focus on the New Year holidays

In 2022, we focused the participants of the Magnit of Habits project on six topics:



▶ taking care of the world around you and your home



▶ caring for the family with a focus on children



▶ taking care of the world around you and yourself

We promoted the project on social networks and through partner media, engaging customers in the campaign and rewarding them with discounts, bonuses and prizes for completing simple healthy habits tasks.

The project featured celebrities, such as two-time world champion figure skater Irina Slutskaya, author of the Live Food programme Sergei Malozemov, and renowned experts in diets and weight loss, family psychology, cosmetology and the correction of age-related changes, conscious consumption, and a sleep doctor.

As part of the project, we organised environmental campaigns. In April 2022, we held an Eco-clean-up day with the help of the corporate volunteer movement Good Deeds in the Neighbourhood and with the participation of Russia's Football Union. A clean-up day bringing together Company employees and members of the football union was held in Krasnodar, Moscow and St Petersburg. The participants cleaned up areas of the city after which football coaches gave a master class and organised a friendly game between the union's representatives and volunteers. Similar clean-up days with Magnit volunteers took place in Voronezh, Yekaterinburg, Kazan, Novosibirsk, Omsk, Pskov, Ryazan, Samara, Ufa, and Yaroslavl. 1,700 Magnit employees participated in an environmental campaign as part of the Magnit of Habits project, collecting 513 cbm of garbage.

For more information on the activities of the Magnet Habits Programme to promote healthy lifestyle habits, see the Health and Wellbeing section on page 70.