

Engaging local producers (continued)

Moscow region

Bunyatino Farm

5 years
of cooperation under an agricultural contract

66%
of products supplied to Magnit

Bunyatino is the leading enterprise of Dmitrovskiye Ovoshchi Group and Magnit is the key buyer of its vegetables. The company has its own production and logistics system, operates more than 250 machines, and delivers 400 tonnes of products per day.

Belgorod region

Veydelevskoye LLC

4 years
of cooperation under an agricultural contract

Since the start of its cooperation with Magnit, the Belgorod agricultural company has upgraded its production facilities (sorting and packaging lines and refrigeration equipment). In February 2023, it launched a production facility for direct-pressed apple juice with a capacity of 500 litres per hour.

Cooperation with farmers

We work with farmers producing unique, high-quality products. In 2021, we developed a simplified supply contract for smaller agricultural producers. It has already been used by farmers all over Russia.



420
partner farms



+35%
turnover of farm products in the retail chain



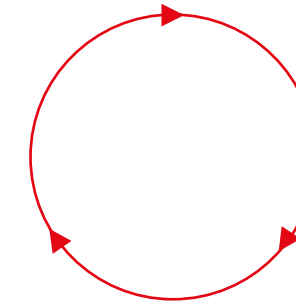
1,9 thous.
farm products in Magnit's offering



45%
share of farm produce in supplies under agricultural contracts

Concept of Magnit's cooperation with farmers

Farmers sell their products through the Magnit chain



Magnit retains the quality of farm products guaranteed by local suppliers

Consumers purchase local agricultural products at the best possible price

We support farmers throughout the chain from field to shelf. Last November, we and the Tula Regional Government started testing of a new model of liaising with farms. It is based on an aggregator for purchasing and supplying farm produce with a wide range of additional services for smaller farms. With the aggregator, farmers will be able to supply their

products not only to Magnit stores but also to other retail chains, as well as HoReCa and manufacturing companies. In early 2023, 36 farmers began working with Magnit as part of this pilot project.

How the aggregator helps us support farmers

- ▶ Providing vehicles to deliver farm products
- ▶ Washing, packing and packaging of farmers' products
- ▶ Delivering products to the nearest DC or Magnit stores
- ▶ Advising farmers on product certification and conformity assessment, support programmes and subsidies
- ▶ Training farm staff
- ▶ Supporting product labelling
- ▶ Highlighting farm products on dedicated shelves in our stores

Top 5 fruit and vegetable categories supplied by farmers

- ▶ Potato
- ▶ Cabbage
- ▶ Onion
- ▶ Carrot
- ▶ Water melon

Local producers can choose one of the two formats: Farmer's Yard, where the store displays locally sourced farm products on its shelves, and Farmer's Shop, where Magnit leases space in its stores to local producers for them to sell their products independently.