

Sustainable development

04

Our approach to sustainability management

138

Sustainability Strategy 2025

140

Caring for people

144



Strategy goal achieved

Strategy goal in progress

The Sustainability Strategy is the Company’s key sustainable development document. Developed in 2020, the Strategy is focused on an analysis of the Company’s current and potential environmental and social impact, as well as an analysis of the retail industry and stakeholder opinions.

The Company has identified five strategic areas: environment, sustainable supplies, employer brand development, supporting local communities and volunteering, and promoting healthy lifestyles.

Magnit tracks progress against the goals, comparing quantitative performance with the baseline of 2019. For qualitative goals, a set of KPIs is established to reflect progress. The indicators are analysed on a year-on-year basis and may be supplemented to reflect changes in the business.

1

In 2024, the Company began the development of a new Sustainability Strategy that represents Magnit's vision for the next five years, takes into account new products and services, as well as changing customer preferences. The document will maintain the continuity of the current strategy, incorporate global ESG trends, and align with Russia's national goals until 2030, and adjust to the business dynamics with the focus on measurable quantitative goals.

Progress against Magnit's Sustainability Strategy 2025

Focus area	Relevant global and national goals	Target for 2025 ¹	Progress towards our goals
Leadership in environmental impact reduction	6 Чистая вода и санитария 7 Надежные, чистая энергия 12 Ответственное потребление и производство 13 Борьба с изменением климата Russian Federation's 2030 National Development Goal: - Ecological well-being National projects: - Ecology	50% of private label and own production packaging to be recyclable, reusable or compostable	72% of private label packaging is potentially recyclable ²
		100% of recyclable plastics used in own operations to be collected and recycled	100% of plastic waste is sent for recycling
		50% reduction in specific food waste generation	59% reduction in specific food waste generation compared to the baseline of 2019
		30% reduction in specific GHG emissions	42% reduction in specific GHG emissions compared to the baseline of 2019
		25% reduction in specific water and electricity consumption	65% decrease in specific water consumption compared to the baseline of 2019 29% decrease in specific electricity consumption compared to the baseline of 2019
Creation of a 100% responsible supply chain	12 Ответственное потребление и производство 17 Партнерство в интересах устойчивого развития Russian Federation's 2030 National Development Goal: - Stable and dynamic economy National projects: - Ecology - Small and medium-sized enterprises	100% responsible sourcing for socially important categories	66% share of Russian-made products in the range of socially important goods 79.7% in 2023 40% private label share in the range of socially important goods 33% in 2023
		100% responsibility for own production and agriculture	77% share of domestic agricultural feedstock used in own production 76.4% in 2023
		Partnership programmes for local suppliers and farmers	18% increase in sales of local suppliers’ products 9% in 2023 37% increase in product supplies under agricultural contracts 22% in 2023 1,061 Russian suppliers became new partners of Magnit 1,158 in 2023 ³

1

The strategy targets are set relative to the baseline year of 2019.

2

The metric has been adjusted in line with assortment under assessment.

3

Total for Magnit and DIXY retail chains (2024: 763 – Magnit, 298 – DIXY; 2023: 849 – Magnit, 309 – DIXY).

✓ Strategy goal achieved

↻ Strategy goal in progress

Focus area	Relevant global and national goals	Target for 2025	Progress towards our goals
Status of the number one employer in the industry	8 ДОСТИЖАЯ РАБОТЫ И ЭКОНОМИЧЕСКОГО РОСТА Russian Federation's 2030 National Development Goal: - Unlocking the potential of each individual, developing their talents, and educating a patriotic and socially responsible personality National projects: - Education	70% employee satisfaction rate	81.2% employee satisfaction rate ¹ ✓
		50% reduction in lost time injury frequency rate, zero fatalities	0.83 injury frequency rate 12% decrease in LTIFR ² compared to 2023 ↻
		40% maximum staff turnover rate	64.5% staff turnover ³ ↻
Positive impact on the quality of life of all Russians	2 ЛИКВИДАЦИЯ ГОЛОДА 8 ДОСТИЖАЯ РАБОТЫ И ЭКОНОМИЧЕСКОГО РОСТА 17 ПАРТНЕРСТВО В ИНТЕРЕСАХ УСТОЙЧИВОГО РАЗВИТИЯ Russian Federation's 2030 National Development Goal: - Preservation of the population, strengthening health and improving the wellbeing of people, supporting families National projects: - Demography - Healthcare - Culture - Education - Housing and urban environment	Community programmes throughout all our regions of operation	100% regions of the Company operation covered by the programmes ✓
		10% volunteering employees	28,351 unique volunteers ⁴ within the Company 21,445 in 2023 representing 9% of the average headcount 7% in 2023 ↻
Improvement in the quality of life for consumers and local communities	2 ЛИКВИДАЦИЯ ГОЛОДА 3 КОРПОРАТИВНОЕ ЗДОРОВЬЕ И БЕЗОПАСНОСТЬ Russian Federation's 2030 National Development Goal: - Preservation of the population, strengthening health and improving the wellbeing of people, supporting families National projects: - Demography - Healthcare	Information about healthy lifestyles and nutrition available to all customers	Over 10 million unique monthly users of the Gastronom website Over 7 million readers of the My Magnit magazine ↻
		Healthy products available to all customers	28% share of healthy food among the Company's private labels 28% in 2023 RUB 516 mln sales ⁵ of the Lifestyle healthy food brand RUB 695 mln in 2023 447 stores have Health Islands 475 in 2023 836 Health Islands 693 in 2023 ↻

¹ The first corporate survey was conducted in 2020.

² Since 2021, the Company has refined its approach to tracking progress against its accident reduction target and introduced the analysis of additional LTIFR, TRIFR, and FAR metrics to more closely monitor its own performance.

³ In 2024, the demographic situation became even more pronounced, the demand for personnel from the booming Russian business sector grew significantly and resulted in a notable shortage of employees in the market and their redistribution between sectors. Magnit faced this problem too but managed to cope with this challenge and maintain a high staffing level of 96.2%.

⁴ In 2023, the Company refined its methodology for tracking progress against the volunteering target and began tracking the number of unique volunteers to more accurately reflect performance against the target.

⁵ Sales of healthy food decreased compared to 2023 due to the withdrawal of butter, a key product in this category, but remained at the same level for other product lines.

3

Green solutions in stores: from packaging to waste collection

- Improving packaging sustainability remains a priority in our work with own production and private labels. Last year we reached our target of making 50% of private label and own production packaging recyclable, compostable, or reusable. In 2024, 72% of packaging was potentially recyclable, and now we are focused on reducing the proportion of non-recyclable packaging and finding alternatives to replace it.

72%

share of private label and own production packaging potentially recyclable in 2024

- The Company is also developing green packaging standards. Previously, Magnit created Russia's first voluntary standard for recyclable packaging and sustainable transport packaging for e-commerce. In 2024, Magnit Pharmacy in collaboration with its partner ECR Sustainability developed recommendations for sustainable packaging for medications, cosmeceuticals, and dietary supplements, with a special focus on packaging recycling, demand for recyclable materials, and separate waste collection infrastructure.
- Magnit actively develops infrastructure to encourage eco-friendly habits among its customers, providing convenient opportunities for proper disposal and recycling of waste. For example, DIXY stores feature containers for collecting unwanted clothes in partnership with the Second Breath charity fund and the It's Easy to Give Things Away project. Magnit stores across the country have 600 containers to collect used batteries. The Company also ran a pilot project to install dedicated eco-boxes in Magnit Pharmacy stores, where everyone can dispose of pill blisters, vials, tubes, and other medicine packaging.
- Certification of stores. In addition to promoting green practices in our stores, we verify the results of our efforts. Magnit became Russia's first and only retailer to obtain the Vitality Leaf certification for its stores. Magnit's superstore in the Krasnodar territory and a convenience store in Moscow were successfully certified. The certification covers all aspects of store operations, including energy efficiency, waste minimisation practices, handling of recycled materials and packaging, and interaction with customers and suppliers.

4

New technologies for our customers

- Service innovations and new technologies. In 2024, the Company continued to ramp up the roll-out of self-checkouts across its network, bringing their total number to over 33,000. We are also expanding the use of neural network-based smart scale technology. In addition, Magnit's IT & Maintenance Lab developed Smart Store, a hardware and software complex. Using the Internet of Things (IoT) to monitor and control utilities helps to optimise energy consumption, minimise disruptions, and keep goods fresher for a more comfortable shopping experience.

>33,000

self-checkouts in operation in 2024

5

Transparency and feedback: active engagement with customers and other stakeholders

- Magnit actively engages with stakeholders and is always open to feedback. We realise that no successful development is possible without engaging closely with our customers, partners, NGOs, and other important groups. For us, it is important not only to share information about our operations but also to listen carefully to opinions, proposals, and comments. We encourage an open dialogue and are committed to taking into account the interests and needs of all parties. We regularly collect, analyse, and use feedback to improve the quality of our work.
- We strive to respond to inquiries as quickly as possible and actively engage stakeholders in discussing our initiatives, be it environmental projects, social programmes, or product quality improvement. We believe that transparency and mutual understanding with our stakeholders are key to achieving high performance and securing the sustainable development of the Company.

6

Social initiatives

- Food sharing. In 2024, Magnit expanded its food sharing programme, which has been in place since 2022, and began donating not only food but also non-food items such as household chemicals, household goods, personal hygiene products, and other necessary items. New large format stores and dark stores are expected to join the programme in 2025. More than 455,000 people have received assistance since the programme was established: large families, elderly people living alone, and others in distress. Since 2022, Magnit has donated 1,000 tonnes of food and non-food products to those in need.

>455,000 people

received assistance since the food sharing programme was established

- Launch of a digital social platform. Magnit launched the [Magnit Limitless platform](#) – a space for an open dialogue about the Company's social and environmental initiatives, and a single information centre with access to all social, volunteering, and environmental projects of Magnit implemented across both Russia and Uzbekistan. The website contains information about the projects and stakeholder engagement tools. In 2024, 62 projects were displayed on the platform and 186 questionnaires were filled out by non-profits.

62 projects

displayed on Magnit Limitless platform in 2024

- Magnit Life, a socialisation project for orphans. [Magnit Life](#) aims to improve employability and to support social adaptation of children and teenagers with orphan experiences or disabilities. Magnit Life is a comprehensive four-month educational programme that combines offline flexible skills training, gamified online learning, and internships in Magnit stores. In addition to the cities that had previously participated (Yekaterinburg, St Petersburg, and Moscow), the project was expanded to Nizhny Novgorod, Novosibirsk, Stavropol, and Kazan, covering more than 200 teenagers.

>200 teenagers

participated in Magnit Life project in 2024



- Relay of Success, a social assistance programme for young people with disabilities and their families across Russia. The project focuses on building an inclusive space and community that helps young people with disabilities to unlock their potential and identify opportunities for integration into different professions and the labour market. In the reporting year, the Company and its partners, Everland and the Agency for Strategic Initiatives, held 15 webinars and 30 events involving 103 experts. In 2024, 10 new regions were connected to the programme and 50 people were trained in the basics of organising inclusive events.
- Inclusive Environment for Customers – the Kind Bunny project. The Kind Bunny is a programme to train employees on ways of working with disabled customers at Magnit's Corporate Academy. We refreshed the programme in 2024, when the Academy created a new series of training materials. In 2024, more than 120,000 Magnit employees completed a course on interacting with people with disabilities.

15 webinars 30 events

held by Magnit as part of Relay of Success programme in 2024

>120,000 employees

completed a course on interacting with people with disabilities in 2024