

Business ethics and anti-corruption

Key documents

Magnit's policies and documents

- ▶ Business Ethics Code of Magnit
- ▶ Anti-Bribery and Corruption Policy
- ▶ Regulations on the Anti-Corruption Hotline of the Anti-Bribery and Corruption Policy of Magnit
- ▶ Contractual Policy of Magnit
- ▶ Internal Control and Risk Management Policy of Magnit
- ▶ Anti-corruption clause of the Anti-Bribery and Corruption Policy of Magnit
- ▶ Regulations on Trade Secret of Magnit
- ▶ Regulations on Internal Checks of Magnit
- ▶ Internal Workplace Regulations of Magnit
- ▶ Tendering Policy of Magnit
- ▶ Regulations on Counterparty Due Diligence



External documents

- ▶ Criminal Code of the Russian Federation No. 63-FZ dated 13 June 1996
- ▶ Administrative Offence Code of the Russian Federation No. 195-FZ dated 30 December 2001
- ▶ Federal Law No. 273-FZ On Combating Corruption dated 25 December 2008
- ▶ Guidelines for the Development and Adoption of Measures by Organisations to Prevent and Combat Corruption (Decree of the President of the Russian Federation No. 309 On Measures Supporting the Implementation of Selected Provisions of the Federal Law On Combating Corruption dated 2 April 2013)
- ▶ Federal Law No. 152-FZ On Personal Data dated 27 July 2006
- ▶ Federal Law No. 149-FZ On Information, Information Technologies and Information Protection dated 27 July 2006

Our approach to management

Magnit maintains high legal, ethical and moral standards as part of our business activities and cooperation with business partners. These standards are set out in Magnit's Business Ethics Code, which is grounded in best Russian and international business conduct practices, corporate governance and relationships with employees and other stakeholders.

Healthy human relations are at the core of every company, especially in the retail industry. The actions and

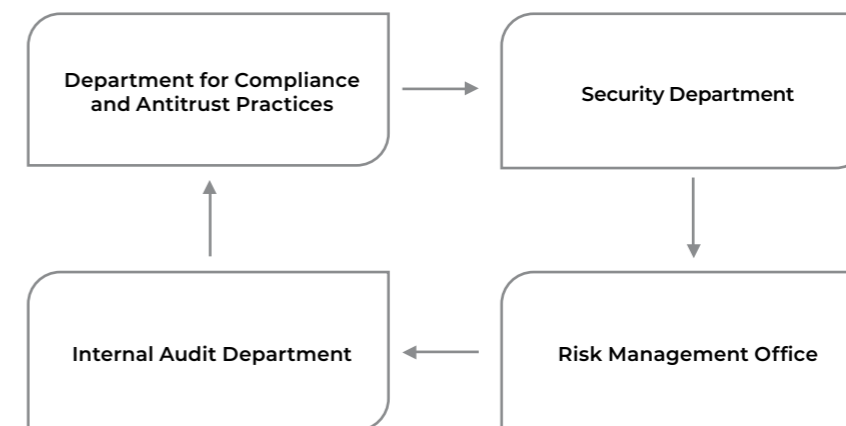
decisions of any of our employees build and strengthen the Company's overall reputation. We seek to ensure that all our hires make honest and appropriate decisions based on the principles set out in the Code and follow guidance that will enable us to meet the highest standards of business ethics.

Our zero-tolerance approach to corruption in all its forms provides the basis for the Anti-Bribery and Corruption Policy, which underpins our corruption risk management

system and our corruption prevention tools. Magnit's managers and employees should avoid being affected by any influences, interests, or relations that may harm the Company's business or facilitate any corrupt practices.

All new employees are required to attend courses on business ethics, information security and Anti-Bribery and Corruption Policy, with refresher courses provided every three years.

Cross-functional model for combating corruption



→ Cooperation and coordination as part of anti-corruption activities, advisory support, training, risk assessment, and controls

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(continued)

Underlying principles of the Anti-Bribery and Corruption Policy

Principle	Our responsibility
Zero tolerance towards corruption	Our Company is committed to zero tolerance of corruption in all its forms, both on the corporate level and in stakeholder relations.
Liability for corrupt practices	We make every effort to promptly and indivertibly prevent any corrupt practices in accordance with the Company's by-laws.
Senior management leadership by example	Members of the Board of Directors, the Chief Executive Officer and other senior officers of the Company take a zero-tolerance approach to corruption, establish and observe high ethical standards of business conduct and set an example for all Magnit employees.
Corruption risk identification and assessment	We identify and regularly assess corruption risks relevant to the Company's operations, taking into account its strategic and investment development plans.
Control procedures	We have implemented control procedures to minimise corruption risks, including, but not limited to, checks of counterparties and addition of an anti-corruption clause to contractor agreements. We regularly assess the effectiveness of our anti-corruption control procedures and take steps to improve them.
Counterparty checks	To minimise reputational, financial and operating risks arising from relations with untrustworthy counterparties, we conduct thorough counterparty checks. We analyse information from open sources about the extent to which the counterparty adheres to ethical business principles and any anti-corruption practices it has in place, along with its willingness to comply with our principles, and include anti-corruption provisions in agreements, as well as cooperate to ensure ethical business conduct and minimise corruption risks.
Communication and training	Our Anti-Bribery and Corruption Policy is publicly available on the Company's website. We communicate anti-corruption principles and requirements to our employees, contractors, suppliers and other stakeholders. All our new hires go through mandatory anti-corruption training.
Monitoring and control	We regularly assess compliance with anti-corruption procedures and communicate the results to the senior management and shareholders.

All Company employees receive anti-corruption training after joining Magnit and are subject to control tests to check their acquired knowledge. In 2022, a total of 3,818 employees completed anti-corruption training.

Hotline

The management of internal and external reports of corrupt practices and ethical issues falls within the remit of the Company's Ethical Values Officer. This role is assigned to the Department for Compliance and Antitrust Practices.

The Company maintains a 24/7 Anti-Corruption Hotline for handling reports of actual and potential violations of business ethics standards, conflicts of interest, abuse of office, abuse of authority, prejudiced behaviour, and damage to the Company.

The Anti-Corruption Hotline experts register and process every report received, including anonymous ones, and then forward it using an approved procedure to the Company's functions and units in charge for doing analysis and making appropriate management decisions.

All reports submitted through the channels described above are handled in line with confidentiality (anonymity) requirements. We guarantee whistleblowers acting in good faith confidentiality of their personal data and protection against retribution. The Anti-Corruption Hotline is supervised by employees of the Department for Compliance and Antitrust Practices and the Internal Audit Department within the scope of their responsibilities.

In line with strategic goals and common practice, the Department for Compliance and Antitrust Practices defines the ways to evaluate the Anti-Corruption Hotline performance, the frequency for reviewing its operation standards, and the methods applied to identify compliance risks.

Communication channels:



▶ 24/7 answering service:
8 (800) 6000-477



▶ Ethical Values Officer's
email: ethics@magnit.ru



▶ Website feedback form:
<https://www.magnit.com/en/anti-corruption/>