

Business ethics and anti-corruption

(continued)

Underlying principles of the Anti-Bribery and Corruption Policy

| Principle | Our responsibility |
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| 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/>