

Equal opportunities for all

Addressing ethical issues

GRI 2-15 GRI 2-26

The management of internal ethical issues falls within the remit of the Company's Head of Ethical Values. The main tool for addressing these issues is our Ethics and Anti-Corruption Hotline.

Any employee who is aware of any unlawful or corrupt practices at Magnit, violations of business ethics standards, conflicts of interest, abuse of office or authority, prejudiced behaviour, damage to the Company or the potential for such conduct, may leave a report on the Anti-Corruption Hotline or report it directly to the Head of Ethical Values through the following communication channels:

- ▶ Anti-Corruption Hotline **8 (800) 600-04-77**;
- ▶ Email of the Head of Ethical Values **ethics@magnit.ru**;
- ▶ Website feedback form **https://www.magnit.com/ru/anti-corruption/**.

An additional anti-corruption line was established in a Magnit Group company, DIXY-Yug (DIXY retail chain).

DIXY anti-corruption hotlines:

- ▶ Telephone **8 (800) 234-23-52**;
- ▶ Electronic form of the Compliance Hotline **https://group.dixy.ru/company/compliance/hotline/**;
- ▶ email: **compliance@dixy.ru**.

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.



10,030 submissions

handled by the Anti-Corruption Hotline operators

For other issues, the following feedback tools are available to employees:

- ▶ single contact centre **8 (800) 200-90-02** or **info@magnit.ru**;
- ▶ hotline for employees **8 (800) 200-90-28**;
- ▶ email **HRhelp@magnit.ru** (labour relations ethics)

In 2022, the Anti-Corruption Hotline handled 10,030 submissions of which 536 were identified as qualified. The remaining submissions were forwarded for consideration to the relevant units due to the absence of a corruption scenario. Of the 536 qualified submissions, 130 were confirmed to report unlawful acts, and 187 were not.

In addition, in 2022 the DIXY Anti-Corruption Hotline received 2,326 submissions of which 108 were recognised as qualified; the facts stated in the submissions were confirmed in 46 instances.

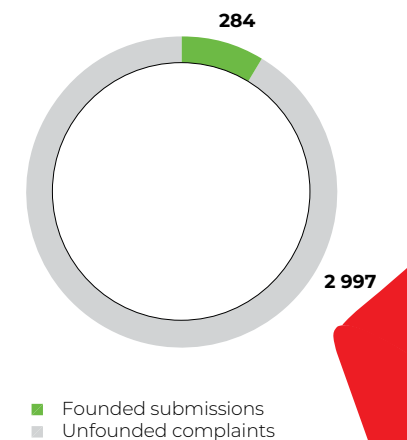
For each case with a relevant scenario which came to the Anti-Corruption Hotline, the Company developed and implemented a set of measures:

- ▶ internal investigation
- ▶ identification and development of possible measures to bring the perpetrator to justice (compensation for the damage caused to the Company by the employee, initiation of criminal proceedings and/or administrative proceedings)
- ▶ disciplinary action against the employee under Russian labour laws (reprimand, rebuke, dismissal on appropriate grounds, etc.)
- ▶ assessing action/omission for compliance with the principles of the Business Ethics Code and the Anti-Corruption Policy
- ▶ Resolution of an identified conflict of interest by the Head of Ethical Values (recommending the employee to perform actions that neutralise the corruptive factors, limiting the functional powers of the employee, transferring the employee to another unit, assigning control to the relevant risk controllers, etc.).

When choosing measures towards employees, the Company takes into account mitigating and aggravating factors and strictly adheres to the rule of proportionality and equivalence in the application of sanctions for similar offences.

Based on the analysis and processing of the reports we receive, we form a risk matrix, implement controls, develop procedures to prevent corruption risks, and prepare and present recommendations on training and induction courses for employees.

Number of ethics-related submissions received in 2022



879 people

with disabilities employed by Magnit in 2022

In 2022, we received

3,281 ethics-related submissions of which

9% were found to be justified

Equal opportunities for all (continued)

Integration of magnit central asia

197 people
total headcount

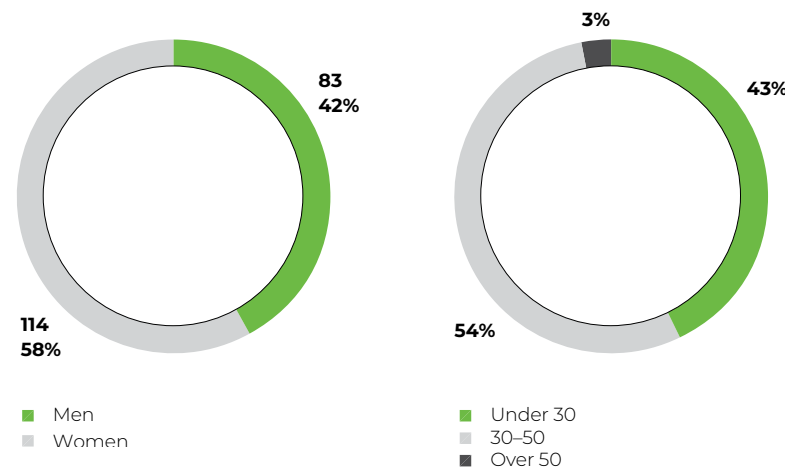
We manage our people in accordance with the Magnit Group's HR policies and standards of corporate conduct: we provide employees with a decent wage and social benefits, ensure workplace safety, provide training, and guarantee a comfortable and supportive environment.

100%
of employees work under permanent employment agreements

0
fatal accidents

0
lost time injuries

Personnel breakdown in 2022



Social benefits

- ▶ Voluntary medical insurance
- ▶ Training and education programmes
- ▶ Training in corporate ethics and rules of conduct in an open office for 48 employees
- ▶ Emergency financial assistance
- ▶ Induction training and health and safety briefings for 100% of employees
- ▶ Training in written communication for 30 employees
- ▶ Compensation of transport and other expenditures for certain categories of employees
- ▶ Training in sales techniques and basics of beauty products for 48 employees
- ▶ Training in labour laws for 15 employees

Fostering inclusion at Magnit

We create a comfortable and friendly working environment for people with disabilities. As at the end of 2022, Magnit had 879 employees with disabilities.

the needs of people with disabilities and foster favourable environment for customers and Magnit employees alike.

▲ For more details on the Company's projects on fostering inclusion, see the Engaging with Local Communities section.

In the reporting year, we launched a number of projects aimed at developing an inclusive environment for our customers and implemented several charitable initiatives to support people with disabilities in the regions. We provide special training to our employees on how to help and communicate with people with disabilities. In 2022, the training was completed by 203,000 Magnit employees. The properly trained employees can better understand

In 2022, we launched a Social Health Resort Programme to offer our employees and their families up to 300 Company paid trips to sea health resorts every year. Eligible employees include single parents, parents of large families, parents of children with disabilities, and employees with disabilities. The programme is implemented across all federal regions. In addition to getting a free trip, the employees are also entitled to an allowance to cover travel and baggage fees to and from the health resort.

Support for special groups of people

We seek to provide equal opportunities to various population groups. Our project Jobs for Young People Over 60 is aimed at older people allowing them to find a job after reaching the retirement age to continue to earn their living. Our 60+ employees are proactive people, ready to help and share their experience with fellow teammates. They come to work at Magnit stores knowing that we value and appreciate their skills and knowledge.

Equal opportunities for all (continued)

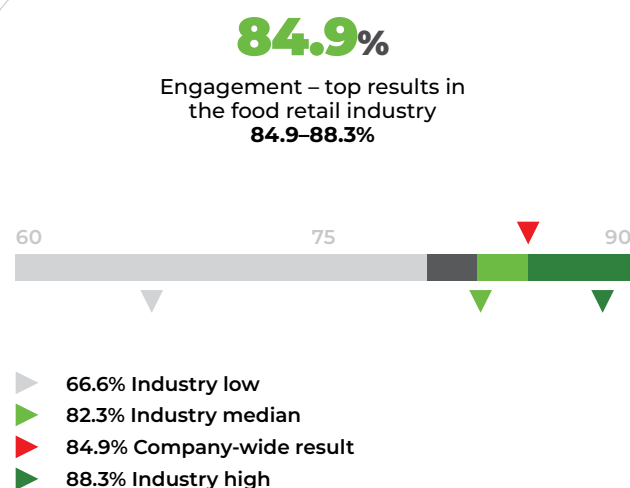
Employee engagement

Strategic goal to 2025	2022 performance
70% employee satisfaction rate	79.8% employee satisfaction rate

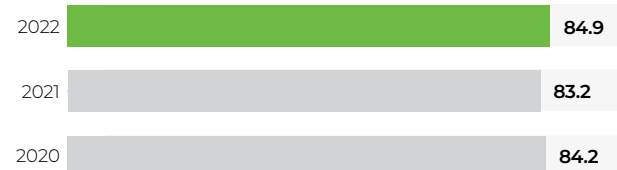
Record progress in 2022

According to the engagement survey completed in 2022, the employee engagement rate was at its highest since 2019 – standing at 84.9%, one of the best results in the industry.

We have been maintaining an employee satisfaction rate of at least 70% for three years in a row in line with our 2025 strategy. To achieve that, we regularly communicate with employees of all business units at all levels, collect feedback and keep them updated about all important events and changes within the Company. To measure employee satisfaction, Magnit conducts annual engagement surveys. Following each survey, heads of business units are presented with a report to analyse relevant data and develop and implement solutions, both locally and Company-wide.



Employee engagement at Magnit, %



The Company's employee satisfaction rate has grown considerably to

79.8%

The share of loyal employees increased by 9.3 p.p. Magnit's loyalty rate is above average, both nationally and amongst its industry peers.

Employee net promoter score (eNPS), which measures employees' willingness to recommend the Company as a good place to work, reached record high 37.3%, having added 20 p.p. YoY. It falls within the industry's above average and top results.

Employee satisfaction at Magnit, %



Employee loyalty at Magnit, %



The number of the engagement survey participants increased vs 2021 and amounted to

248,587 people

Retail employer brands in social media

