

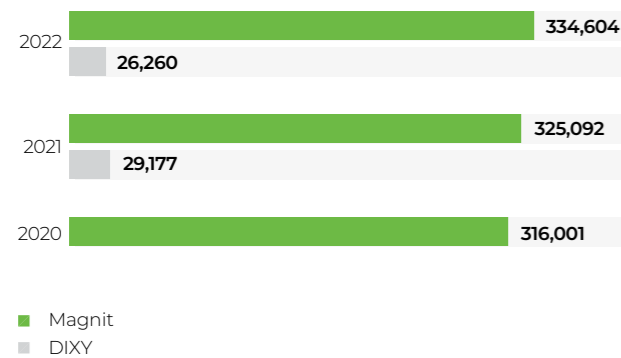
Personnel management (continued)

Personnel structure

GRI 2-7

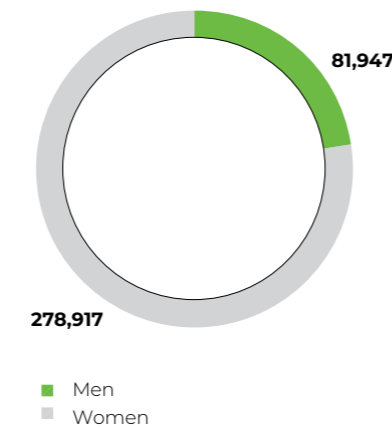
In 2022, the Magnit Group's headcount stood at 360,900 people.

Employees, thous.

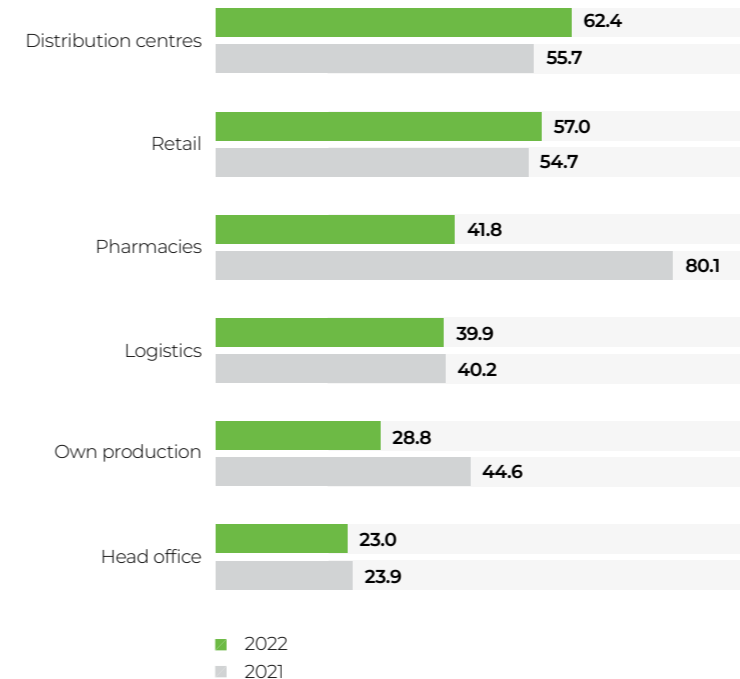


GRI 405-1

Breakdown by gender at the Magnit Group, thous.



Turnover at Magnit broken down by activity type¹, %



¹ For more details on personnel structure, see the Appendix to the Our Employees section.

One of our key HR objectives is to increase staffing and keep turnover, which is typical of the retail industry, within acceptable limits. High turnover in the industry is largely due to the fact that young employees view retail jobs as temporary employment and start looking for more attractive options in terms of compensation and benefits. To mitigate this trend, we offer young professionals career opportunities and welcome horizontal movements within the Company.

During the year, we managed to significantly reduce staff turnover at our pharmacies and own facilities. The traditionally low turnover rate at Magnit's head office has become even lower.

To enhance employee loyalty and reduce turnover, we continue our efforts to improve working conditions and incentive system, implement additional social initiatives for employees and are in an ongoing and open dialogue with our team.

How we reduce staff turnover

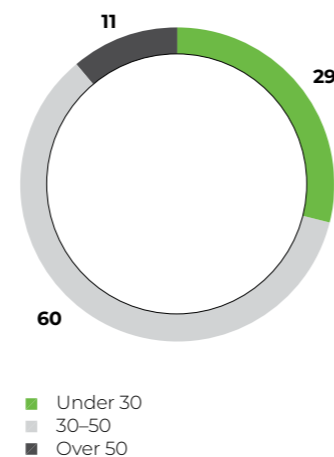
- ▶ We retain and incentivise top performers by developing a system of professional skills competitions.
- ▶ We motivate employees to achieve five, ten, or 15 years of service with the Company by presenting them with awards and corporate badges of distinction for their length of service.
- ▶ We make consistent efforts to increase employee engagement, loyalty, and satisfaction as part of the Caring for People competition.
- ▶ We introduce gamified mechanics, contests, and activations to celebrate major Company events such as Mr and Ms Magnit and DIXY, the Company's Birthday, Salesperson Day, as well as the Professional Season and New Year contests. This helped us set a steady positive trend in our employer brand loyalty index in social media and retain the best talent. As a result, we are building a strong, engaging brand for job seekers, employees, and customers alike.
- ▶ We pay close attention to onboarding new hires and reduce turnover among them through a programme of welcome kits.
- ▶ We take care of employees in distress by offering a social support programme that includes seaside health resort treatment.
- ▶ We continue increasing the number of New Year presents for our employees' children.

GRI 401-1

Turnover evolution at Magnit¹, %



Breakdown by age group at the Magnit Group, %



¹ Data for Magnit excludes DIXY for comparability purposes, as DIXY was an independent company until 2021.

Personnel management (continued)

DIXY

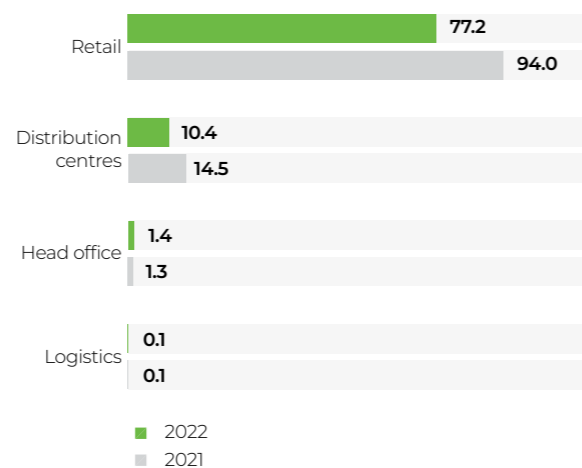
GRI 401-1

Turnover evolution at DIXY, %

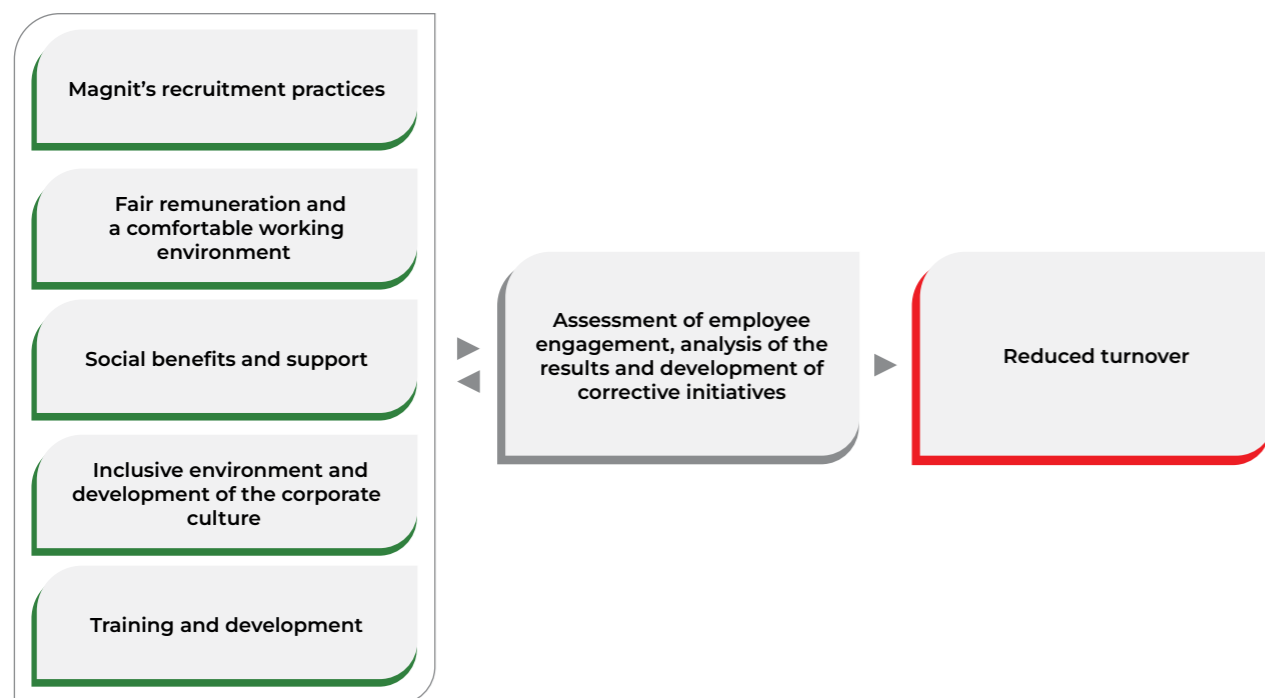


DIXY saw peak turnover in 2021 due to the integration process, when the Company joined Magnit. In 2022, the situation began to improve, with overall turnover down by 20.7% following active HR efforts. We indexed salaries as a result of salary monitoring, took a number of measures to improve living conditions for our employees, and set up a programme of awards and incentives for the best retail employees.

Turnover at DIXY broken down by activity type, %



Key HR priorities



Remuneration system

An effective remuneration system is a major element of the employee value proposition, competitive strength in the market, and Magnit's employer brand. To determine remuneration, we apply the principle of grade-based differentiation of positions, which helps us ensure fair treatment and gives our employees a vision of their financial prospects in a certain position.

The initial salary level at Magnit regardless of employee position is higher than the government-established subsistence level in all cities where the Company operates.

In the reporting year, DIXY reviewed the salaries of its employees in positions where pay levels were not in line with the market. Magnit factored in and compensated for an extraordinary inflationary pressure on our staff's income. Overall, Magnit ensures the continuity and consistency of the adopted remuneration schemes.

Remuneration includes a fixed component (salaries, extra payments and allowances) and a variable component (performance-based bonuses).

Magnit makes decisions on remuneration and promotions based solely on professional skills and performance.

The Company's geography spans over 60 regions with different economic and social conditions. We seek to ensure equal pay across our footprint, with our wages exceeding the average compensation level in these regions.

The Group has a strong focus on fair remuneration and does not make any distinction in remuneration for men and women. Any employee, regardless of gender, is eligible for any position and the remuneration established for it. An employee's salary depends on their qualifications, the complexity of the work performed and the quantity and quality of effort made.