

Personnel management (continued)

DIXY

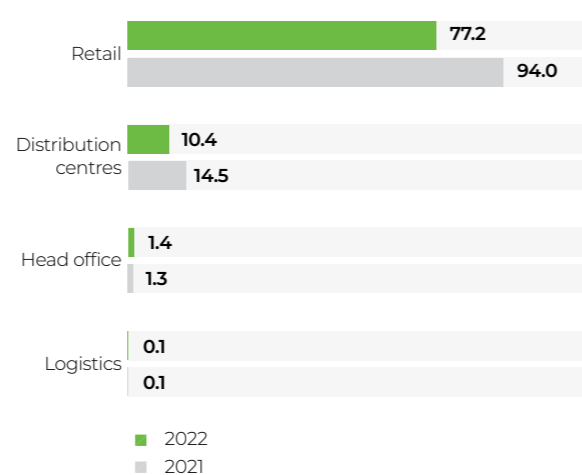
GRI 401-1

Turnover evolution at DIXY, %

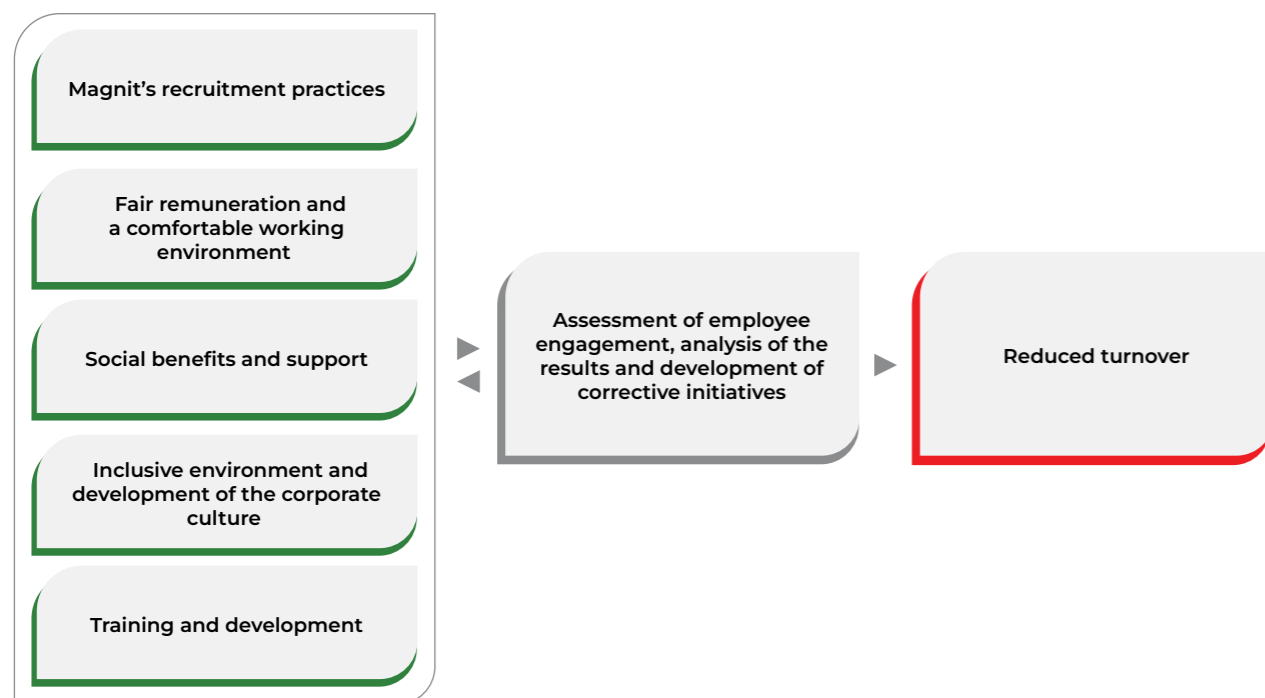


DIXY saw peak turnover in 2021 due to the integration process, when the Company joined Magnit. In 2022, the situation began to improve, with overall turnover down by 20.7% following active HR efforts. We indexed salaries as a result of salary monitoring, took a number of measures to improve living conditions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