

Social support

GRI 401-3

In 2022, we made additional health services available to our staff, including telemedicine, medical partners' advice and a second opinion, and considerably improved the scope of insurance programmes. We help our employees in critical situations as part of a regulated process that involves additional payments. We help our employees in critical situations as part of a regulated process that involves additional payments.

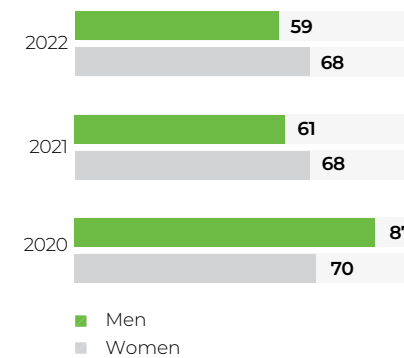
- Financial assistance is available:
- ▶ in case of a serious illness of the employee or their child
 - ▶ in case of death of a spouse, child, or parent
 - ▶ in case of death of an employee, the payment will go to their family
 - ▶ in case of losing a place to live as a result of fire / natural disaster
 - ▶ in case of an occupational injury.

In addition, the Company offers assistance to its employees in case of global problems such as emergencies, pandemics or any other force majeure.

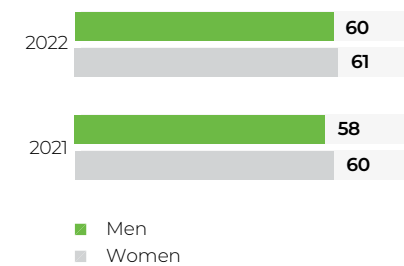
The total amount paid to Magnit employees in 2022 as financial aid was RUB 52.9 mln, up 71% YoY. The increase in payments is due, among other things, to the decision to revise the standards due to price inflation and the turbulent economic environment in the reporting year.

We support our employees taking parental leave. All of our employees are entitled to a vacation leave. An employee can stay on parental leave until their child reaches three years of age. During this time, the person's employment period and professional experience continue uninterrupted, and the employee gets compensation in accordance with Russian laws. In 2022, 13,000 Magnit employees took parental leave, including 139 men.

Retention rate at Magnit¹, %



Retention rate at DIXY², %



DIXY

In 2022, DIXY spent a total of RUB 14.3 mln on employee health insurance, down 7% YoY. The total amount paid to DIXY employees in 2022 as financial aid decreased by 8% YoY and amounted to RUB 17.7 mln. The decline in both metrics is attributable to a general reduction in the company's headcount.

In 2022, 945 employees took parental leave, including 73 men.

¹ Rate calculation methodology: the ratio of the number of employees who returned to the workplace from parental leave and were employed 12 months after their return in the reporting period to the number of employees who returned from parental leave in the previous reporting period.
² Rate calculation methodology: percentage of employees working at the beginning of the year who were with the company for a full year.

Non-financial incentive programmes

In the reporting year, we developed and launched a number of non-financial incentive projects for our employees. For example, an employee cashback project was launched at 14 branches and offices in the Moscow District. We also

launched a temporary relocation programme called Summer Is Vitamin P Time offering our employees temporary jobs at our stores in Russian resort cities during the summer months while retaining their job in their home town. We launched a Seaside

Vacation social programme, which enables vulnerable groups of employees (disabled employees or employees with disabled or many children, single parents) to spend eight nights at the seaside at Magnit's expense.

Professional skills competitions

Our employees improve their professional skills and fulfil themselves by taking part in Magnit contests which promote staff loyalty and healthy competition.



final. The winners are three drivers in each category (direct delivery, transit delivery and category C licence) with the highest score after two challenges.

Golden Store

A professional skills competition at Magnit Cosmetics where employees compete for the top performer ranking and carry out additional tasks. 121 employees qualify for the final, of whom 44 compete for the first place.

Battle of Cooks

Hypermarket own production employees go through three stages of competition: ranking, semi-final, and final. 216 participants (27 employees from each district, three teams competing in three categories: cooks, bakers, confectioners) get into the semi-final. 72 participants make it to the final and nine are declared winners.

Magnit at the Wheel

A traditional contest of our delivery drivers. It consists of three stages: ranking, semi-final, and final. Drivers with the highest score in their unit take theory and practice tests to qualify for the

Vse Skladno

A professional skills competition of warehouse workers (30,000 employees). Following a ranking stage, 5% of employees from each distribution centre (DC) (in six occupations: loader/forklift drivers, storekeepers, receiving clerks, loading/unloading/delivery dispatchers) go to the semi-final. After the semi-finals, two teams of six employees from different positions are selected from each region. The selection is based on the maximum number of points earned by each DC in the semi-final. 10 DC teams make it to the final, and three teams with the highest score win the contest.

Best IT Specialist

An annual competition for employees of the Company's IT units. The winners are 120 best specialists out of 1,000 IT employees of Magnit.



Social support (continued)

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Fantastichesky Uchet

A professional contest among 1,800 employees of Magnit's Shared Services Centre. It includes team and individual competitions. The team competition is held in

an online quiz format with the top 110 contestants qualifying to the final after the first stage. In the second stage, 10 teams of 11 people compete against each other. The team with a maximum score for correct and quick answers comes out on top.

Best Traffic Safety Specialist

A professional skills competition among 50 medical and traffic safety specialists. The competition is held in four stages with four winners.

Best Store

A non-financial incentive competition that identifies the best store in each district and format. The best existing store and the best new store opened during the year are selected for the formats of Magnit convenience stores and Magnit Cosmetics. For the larger format, the best operating store is selected in each district and for the format as a whole. Stores receive an award plaque, which is placed in the entrance area.

Mentor contests

We hold annual competitions for mentors in Magnit's retail stores, logistics divisions and own production facilities. Thousands of employees participate, and the best ones who passed through the rankings and the regional stage, compete to win the final competition in various categories and nominations.

The best retail mentor

A mentor competition in the Magnit convenience stores, Magnit Cosmetics and larger formats. The results are summarised separately for each six and twelve months, with one employee from each format declared the winner in each of the six categories.



The best logistics mentor

The competition is held among about 1,000 employees and includes two stages. At the regional stage, winners are determined for every six months in three categories (based on DC and district results). Three people from each DC (one in each category) are declared winners. Among them, the best employee in the district is selected in each category. Winners of regional stages in each district qualify for the final stage. In the final, participants compete in three categories, with three out of 30 finalists declared winners.

The best own production mentor

The competition is held among 166 mentors and includes qualifications and the final stage. Ranking takes place in each own production unit based on year-end performance. Each own production unit selects a winner in each of the three categories, with winners from each unit qualifying for the final stage. In the final, the participants compete in four categories with one winner in each.

Face of the Company

Mr and Ms Magnit is a contest for non-financial incentivisation, with the winners having an opportunity to become the Company's face or voice and participate in nationwide corporate events.



Caring for People

As part of this competition, we award district and Group staff. The competition seeks to enhance the results of the employee engagement survey, identify and reward the most effective and interesting projects (initiatives) as part of the action following the engagement survey. Any employee of the Company who applies for the contest is eligible to participate. Top 14 implemented projects are selected at the end of the competition. The selection is based on seven criteria, including the expert panel's evaluation of the project following a public defence in the final.

Awards

Gold badges

Magnit has a programme to reward employees with badges of distinction for loyalty and long service. Each employee with 10 years' experience in the company is presented with a silver, gold-plated badge bearing the M logo with the relevant record made in the workbook. In 2022, over 5,500 employees received the award.

Awards from the Ministry of Industry and Trade

Company employees with high performance and five years or more of service receive a diploma from the Ministry of Industry and Trade with the relevant record made in the workbook. 502 employees of Magnit were awarded in 2022.

Awards for accident-free operation

Our delivery drivers receive a badge of distinction for accident-free work, which is awarded on the basis of an order from the Federal Service for Supervision of Transport. Employees who have been with the Company for at least three years are eligible to receive the badge. The award has three degrees depending on the accident-free mileage, with the relevant record made in the workbook. 420 drivers received the badges in 2022.

Awards from the Ministry of Agriculture

Employees of our own production facilities (Kuban Confectioner, Kuban Factory of Bakery Products, TD-Holding, Green Line greenhouse complex) are honoured with departmental awards from the Russian Ministry of Agriculture. A commendation from the ministry is awarded to employees with at least one year of service with the Company, at least seven years in the industry, and outstanding performance.

Social support (continued)

Employee communication channels

Internal communication channels

- ▶ Email newsletters are the main communication channel covering over 40,000 employee accounts and 30,000 store and business unit accounts. The newsletters include:
 - corporate news: new appointments and structural changes in the Company, technical communications, guidelines and regulations, surveys, and six Magnit digests
 - New Magnit: activation announcements, employee bonuses, competitions and non-financial incentive programmes
 - #etonashden: a congratulatory programme including professional holidays and birthday greetings
 - Info Centre: the main channel for business communication with retail
- ▶ Your Magnit mobile app launched in 2022 and visited by 190,000 employees every month.
- ▶ Promo materials for employees: flyers in staff rooms and offices of Magnit
- ▶ An internal corporate portal offering employees access to Magnit’s core resources, news, standards, business processes, and other useful information
- ▶ Monitors in the offices, Rosseti Centre and Magnit transport units, which broadcast various video content for the staff
- ▶ Chatbot directories on the corporate portal and Telegram Messenger for employees to quickly find a virtual assistant as requested.

Magnit’s modern work formats

In the reporting year, we completed a major project to introduce modern work formats for office staff. By moving most of our office staff to remote and hybrid modes, we were able to eliminate the need to rent office spaces. We also attracted skilled employees who stayed in their home cities, without the need to cover the costs of relocation, travel and other related expenses.

around RUB 100 mln
the project launch in 2020, Magnit has saved

External channels

- ▶ Magnit’s corporate communities on VK, Odnoklassniki, in Telegram and YouTube where employees can learn about Company and industry news, colleagues’ achievements, participate in challenges and competitions, make submissions and send congratulations
- ▶ Magnit media portal (<https://magnit-family.ru>) provides information on events, competitions, interactive programmes and other projects for the staff. Employees can access lectures created for them in various topics (conscious parenting, safety, financial literacy, healthy eating, etc.)
- ▶ Russian Retail glossary (<https://retailwords.ru>) contains over 2,000 terms from the world of retail collected by Magnit employees
- ▶ Postcard builder (<https://cardsmgnt.ru>) is used by our staff to create corporate style greeting cards and welcome banners
- ▶ Career website (www.rabota.magnit.ru) for communication and recruitment of external candidates
- ▶ HR marketing and research.

MONITORING EMPLOYER BRAND HEALTH

We continuously monitor Magnit’s employer brand. In the reporting year, we analysed mentions of HR brands of Russia’s largest retailers, including Magnit, on social networks, blogs, forums and review websites, chats and Telegram channels, as well as in online media posts and comments. Based on the findings, we measured the employer brand loyalty index.

For the three years that we monitored external social media activity, the Company’s employer brand loyalty index has grown by four points from 0.7 to 1.1, while the market average remained flat at 0.4. Magnit has the highest score among its peers. This was made possible thanks to gamification techniques encouraging employees to take part in professional competitions and recruitment campaigns, as well as through engaging content and employee stories. The amount of positive content on Magnit in social media is tremendously high compared to other market players. In Q1 2022, the Company reached a record number of positive mentions (353,000).

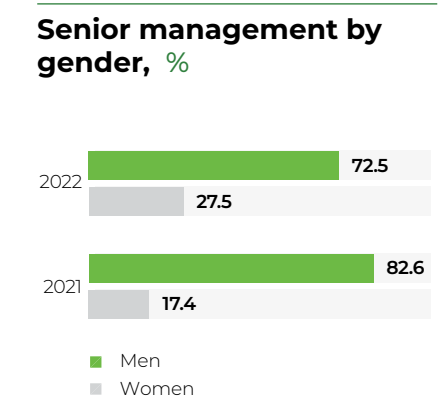
Engagement, loyalty, and satisfaction

Equal opportunities within the team and fair treatment of each employee are an important element of Magnit’s corporate culture as one of Russia’s largest companies and an industry leader. Our values and principles are enshrined in Magnit’s Business Ethics Code.

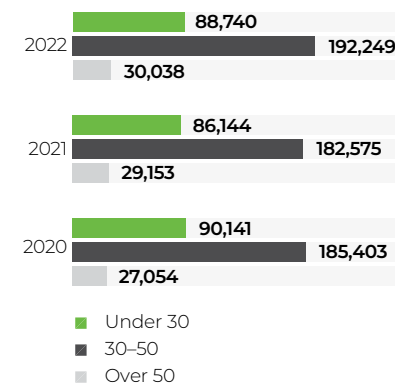
Preventing discrimination

We reject any form of discrimination based on ethnicity, gender, age, religion, health, sexual orientation, political conviction, and other grounds. The Company places a special focus on gender and age balance. Magnit applies a unified approach to both fixed and variable parts of the salary for positions with the same requirements and competencies for men and women of any age.

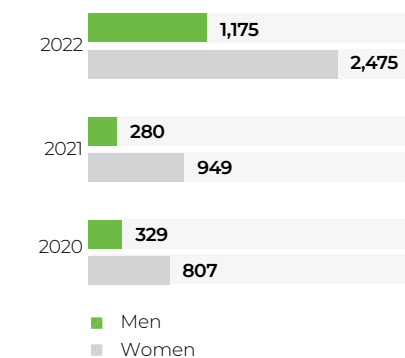
In the reporting year, the share of women in senior management increased by 10.1 p.p. reaching 27.5%. In addition, the share of Magnit Group employees over 60 years of age increased by 161% among women and 320% among men compared to 2021.



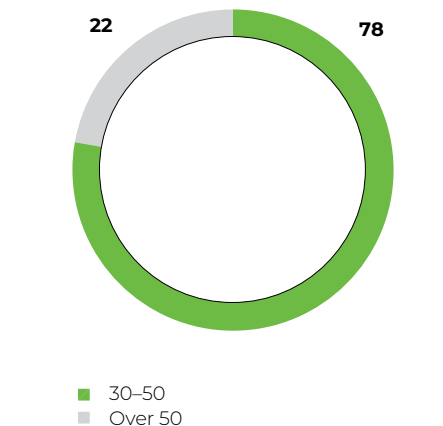
Magnit Group employees by age, people



Number of Magnit Group employees aged 60 or older, people



Senior management by age, %



In 2022, the Magnit retail chain employed 1,690 migrants, who enjoy the same rights and social benefits as other Magnit employees. We

strictly comply with Russian labour and migration laws applicable to this category of staff and tolerate no discrimination in the workplace.