



Personnel management

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Magnit's team of professionals is the key asset of our Company.

We create a comfortable and safe working environment, offer competitive salaries and a wide range of financial and non-financial benefits. We provide opportunities for growth and self-fulfilment and take care of the well-being of our personnel, so that each employee is satisfied with the working conditions at the Company, feels respect and reliable support.



Contribution to the UN SDGs



Contribution to achievement of the national goals and projects of the Russian Federation

Goals

- Opportunities for self-fulfilment and talent development
- Decent, efficient work and successful entrepreneurship

Projects

- Personnel performance

Principles of the Social Charter of the Russian Business (Russian Union of Industrialists and Entrepreneurs, RSPP)

Business partnership and stakeholder engagement

We recognise employees as the most important value of any company, contribute to the development of human potential. We treat human life as the highest value. For us there is no and cannot be a compromise between the health, safety of the employee and the receipt of profits.

Management approach

GRI 3-3

The Magnit team is our core value. Our business performance depends on the level of professionalism of our team members, as well as social and physical well-being. We are building an efficient HR management system based on four key principles.

Personnel management principles

Employee-focused culture

- We develop our business taking into account the opinion of employees
- We increase the level of engagement at all levels, develop the leadership qualities of employees

Proactive approach to changes in the labour market

- We apply modern and proactive approaches to attracting personnel
- We provide the option of part-time employment and flexible working arrangements

Emphasis on the development of in-house talents

- We prioritise talent development and professional growth of the employees
- We provide multifaceted training, engaging both managers, colleagues, Magnit's Corporate Academy team, and external resources

Smart approach to the employment management

- We make management decisions based on accurate data and economic efficiency
- We enhance the role of automation in internal processes

2023 results

357.2 thous.

people – headcount at the end of the year¹

+0.3 p. p.

increase in the employer brand loyalty index in the external media environment

86%

+1.2% as compared to 2022

employee engagement rate

Magnit strategic goals 2025

Goal	Result
70% – employee satisfaction	the level of personnel satisfaction in 2023 was 81.1% (+1.3 p. p. as compared to 2022)
maximum turnover rate of 40%	the turnover rate in 2023 was 66.8% ²
10% of the Company employees participate in volunteer programmes	21,445 volunteers in the Company More than 30,000 volunteer events in 2023

Material Topics

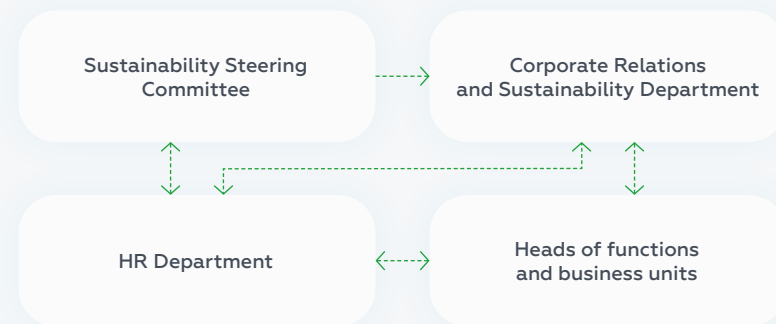
- Employment and decent working conditions
- Employee training and development
- Diversity and inclusion

¹ Without data on Magnit Market LLC (formerly KazanExpress LLC). For more information about the reporting boundaries, see the section "About the Report". With Magnit Market LLC, the number of employees is 361 thous. people.

² In 2023, the demographic situation became even more noticeable, the demand for personnel from Russia's booming business sector grew significantly and resulted in a significant shortage of employees in the market and their redistribution between industries. Magnit felt this, but the Company managed to cope with this challenge and maintain a high staffing level at 94.6%.

Responsibility for the personnel management lies with the managers at all levels and the HR Department. To achieve sustainability goals, the Department implements corporate programmes, provides managers with knowledge and tools to successfully manage the teams, and involves other divisions to implement cross-functional initiatives.

Personnel management system in the company

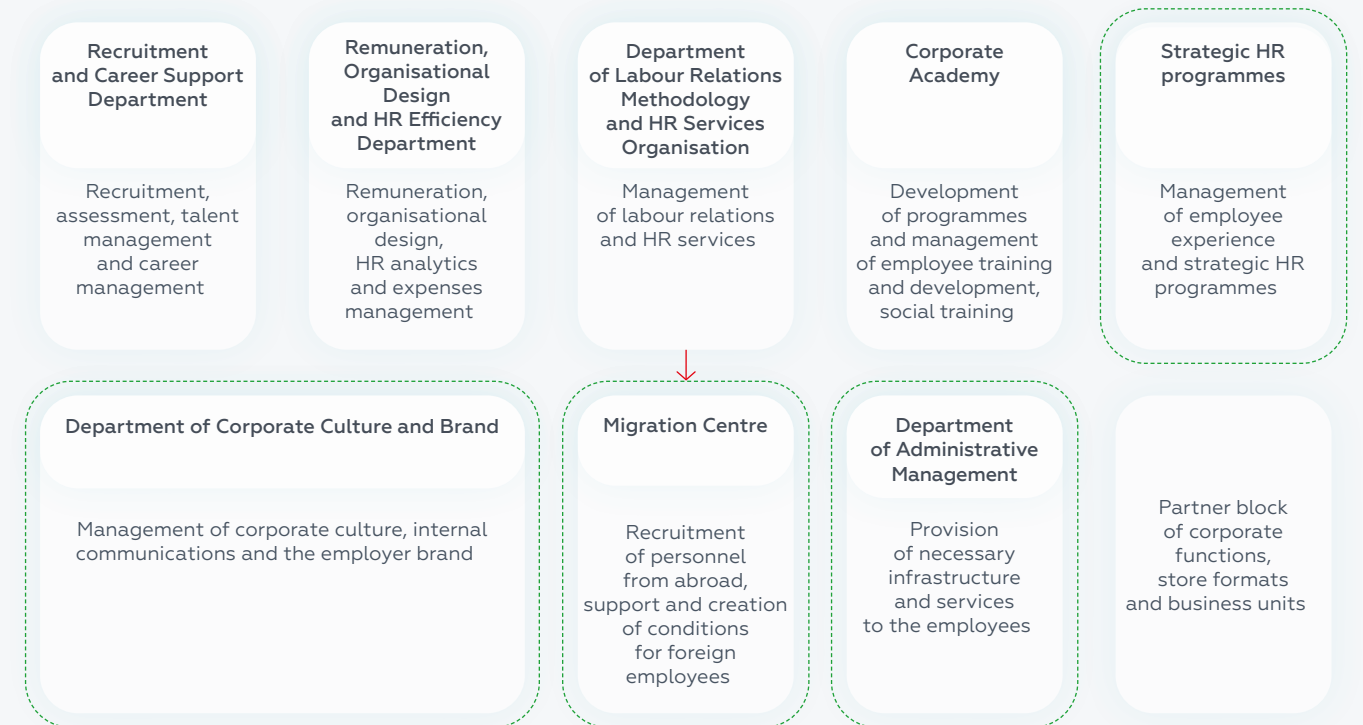


---> Coordination in implementing the Sustainability Strategy, advisory support

Responsibility for various areas of HR management is allocated among the relevant subdivisions of the HR Department. This approach makes it possible to effectively manage each aspect and perform the assigned tasks efficiently. DIXY's HR management is integrated into the Magnit Group's overall management system. However, DIXY has a certain level of independence in decision-making. The Magnit Group has developed an operating model that implies redistribution of authorities between the corporate centre and business units. This will enable our Company to more effectively perform measures to improve the HR management system by implementing the measures and programmes that are better tailored to the specifics of employees' work in business units and in a shorter period of time.

Our Company is consistently improving its HR management approach. In 2023, we integrated the administrative function and development of the corporate culture and brand into the HR management function. This will make it possible to achieve better synergy and cross-functional interaction in the most important aspects of interaction with employees. In 2023, we also launched the Division for Management and Continuous Improvement of Employee Experience (EX) to implement a systematic approach to ensure that employees enjoy more working in our Company in all work aspects. This will affect HR processes, work processes of other functions and processes within the teams, which will allow us to better attract and retain employees, increase their engagement, and create and improve the experience of our customers. The most important step was also the creation of a strategically important area of attraction and centralised relocation of the employees from other countries to work for our Company, as well as their onboarding in Russia and the creation of the necessary infrastructure. To this end, we created a migration centre and entered into the cooperation agreements with several states at the level of their relevant ministries. The development of the centre will make it possible to eliminate the shortage of line employees of working age.

Structure of the HR Department



→ Administrative subordination
 - - - - - Changes in the function in 2023

HR management processes are reflected in the Company's internal documents. While continuously improving our policies, processes, approaches and methodologies, we monitor the relevance of the internal regulatory framework and regularly update the existing or create new documents. In 2023, new regulations on recruitment, bonuses and business trips were developed. In the reporting period, the methods of competency assessment, talent management, succession management and others were also updated.

Improving the performance of the Company's business processes is a prerequisite for the Company's stability and development. In 2023, we continued our transition to electronic HR document management and reduced the need for employees' personal presence when HR documents are prepared. At the end of the reporting period, 61% of employees were covered by digital HR document management¹.

External documents

- Labour Code of the Russian Federation
- Other regulatory documents

Internal documents

- HR Strategy
- Internal Workplace Regulations
- Internal Regulations on:
 - remuneration; **developed in 2023**;
 - remote working;
 - recruitment **developed in 2023**;
 - business trips **developed in 2023**;
 - employee bonuses **developed in 2023**;
 - digitalisation of labour documents;
 - voluntary health insurance;
 - financial aid;
 - relocation;
 - social programmes of JSC Tander
- Regulations on Rewarding the Employees
- Internal regulatory documents governing the holding of competitions for the employees

¹ Data are provided for seven companies of the Group.

HR Strategy

To achieve strategic goals, the Company follows the HR Strategy. The key objectives of the Strategy are:

- high level of staffing with line staff, managers and experts for stable functioning of the Company;
- fostering employee engagement, productivity, talent acquisition and development to ensure further growth of the Company;
- improving the efficiency of managing teams using convenient technological tools.

The Strategy provides for mechanisms to develop the employer's corporate culture and brand, improve the organisational structure and develop the value proposition for the employees. In the reporting period, we completed the implementation of the Strategy developed in 2020. We managed to implement the planned programmes and initiatives and achieve a qualitative leap in HR management.

Magnit does not stop there. At the beginning of the reporting period, we began to develop a new Strategy and conducted in-depth research to study global and Russian factors, changes

in human values and behaviour, current industry trends, and the best Russian and international HR practices. Based on the research results, we identified the goals and focus of our new HR Strategy up to 2028.

Our focus areas are as follows: improving employee experience and satisfaction with working at the Company, developing new flexible forms of employee engagement, and organisation of their work improving process efficiency and productivity through the introduction of modern technologies, attracting and developing competencies of the future and talents. Having implemented the new Strategy, we plan to achieve high results that will allow us to become a more attractive and reliable employer.

Key areas of the HR Strategy

Improvement of employee experience

- Focus on employee retention
- Active dialogue with the employees, receiving feedback and continuous improvements based on it
- Improving business processes and HR policies, methodologies and processes to create better experience and greater employee satisfaction

Increased efficiency of working arrangements

- Reorganisation of processes, routine operations and organisational structures to improve efficiency and speed of decision-making, as well as to create more positive employee experience
- Search for optimal forms of organising the work of teams under different employment arrangements

Creation of new flexible forms of personnel management

- Expansion of target audiences of candidates, forms of employment and working arrangements
- Creation of corporate tools and channels to attract employees
- Creation of a comfortable and accepting environment and infrastructure for each employee, regardless of employment arrangements and taking into account their specific characteristics

Development of competencies and skills of the future

- Retention and creation of conditions for the development of highly qualified and talented employees
- Attracting competencies to digitalise and automate internal processes, create new digital products
- Strengthening employees' capabilities and simplifying their work through the use of the state-of-art technologies
- Development of HR competencies among managers of all levels

Corporate culture and engagement

In order to maintain the Company's positive image on the market and a healthy atmosphere in the team, Magnit pays special attention to the development of corporate culture. We strive for such corporate culture in which employees feel safe, free from prejudice and confident that their opinions, needs and interests matter to the Company.

In the context of increased competition in the labour market, increasing loyalty and retention of employees have become the most important tasks for the Company and managers. Magnit annually conducts a study of the levels of employee engagement, satisfaction and loyalty. During the assessment, employees answer questions about their satisfaction with the working conditions at Magnit, assess

existing business processes and propose ideas for improvement. Based on the results of the survey, we identify priority areas for work in the next reporting period. In 2023, engagement and satisfaction indices showed the best values for the entire period of conducting the survey at the Company. A total of 245 thousand employees were surveyed. Based on the results of the 2023 assessment, the Company plans to focus on increasing employee loyalty in the next reporting period

Results of employee engagement, satisfaction and loyalty survey

	2023 results	Change compared to 2022	Compared to the Industry
Employee engagement	86.0%	+1.2%	Among the best Industry values 80% Industry median 88.1% best Industry value
Employee satisfaction	81.1%	+1.3 p. p.	Among the best Industry values 77.9% Industry median 84.2% best Industry value
Employee loyalty	76.7%	-0.1%	Below the Industry average value 77.9% Industry median 85.3% best Industry value

In addition to the key indices, we analyse the eNPS¹ and the Happy Index². In the reporting period, the eNPS index showed a value of +38.1%, which is 0.9 p. p. above the 2022 value. The eNPS of Magnit is above the sector average. The Happy Index was 75.1% at the end of 2023. This is 0.4 p. p. above last year's level and 1.8% above the sector average. The survey results demonstrate that employees remain loyal to our Company; Magnit is moving in the right direction and is implementing the effective measures to increase employee engagement, satisfaction and loyalty.

+0.9 p. p. above the 2022 value

+38.1%
eNPS in 2023

+0.4 p. p. above the 2022 value

75.1%
Happy Index at the end of 2023

¹ The eNPS (employee Net Promoter Score) is the employee loyalty index that shows the level of readiness to recommend the Company as a good place to work for friends and acquaintances.
² The Happy Index shows the share of employees who are loyal and involved in work at the same time.

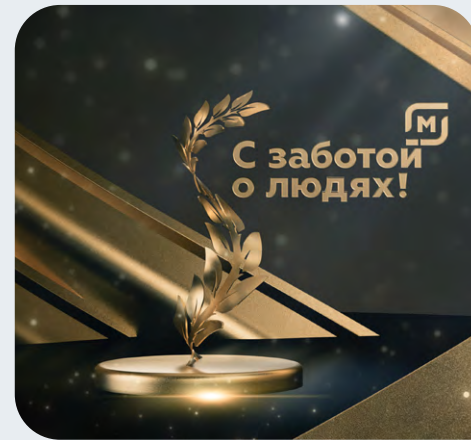
In the reporting year, we conducted a series of engagement assessment training events, so that the managers can better interpret the results of the survey and more effectively take measures to improve their employees' performance. Heads of the Company's functions and district managers took part in the training. Based on the results of last year's research, more than 600 managers were

trained in the methodology for processing and analysing priority indicators of the survey, methods for interpreting results and ways to increase the employee engagement.

Caring for People competition

Magnit takes into account the opinion of its employees on efforts that can help increase their involvement in the Company's work. The Caring for People competition has been held for the third year in a row. During the competition we collect information on implemented projects aimed at increasing the involvement. Each employee can send a description of the efforts that made it possible to achieve positive dynamics based on the survey results. In total, about 100 initiatives were considered during the competition. 30 projects were selected for the final stage of the competition, among which 14 winners in six categories were determined.

For more details on the project, follow [the link](#).



Employee communication channels

Magnit focuses on building open communication with the employees. For this purpose, the Company has created special communication channels. Through such channels, we broadcast the latest news from the Company's life, give answers to current questions and information about Magnit's performance.

Magnit uses various channels for communication:

- email newsletters;
- Your Magnit mobile app for the employees;
- an internal corporate portal for the employees;
- promo materials;
- monitors in distribution centres and transport units;
- quarterly information session;
- Magnit's corporate social media communities;
- Magnit's external media portal.

All channels are used to varying degrees, and an individual content plan has been prepared for each channel. In addition to informing the employees, external communication channels are aimed at attracting the applicants, since they communicate corporate values and work to improve the Company's appeal. The employees can receive up-to-date and reliable information on all changes in the Company through the electronic communications. Using this channel, we communicate the Company's general course, strategic goals and decisions, and launch non-financial incentive and activation

competitions to retain employees. Email newsletters cover more than 70 thousand employees of the Company. The Company has also created an internal portal through which the colleagues gain access to Magnit's main resources: standards, descriptions of business processes and other useful information. For even greater convenience, employees can use Your Magnit special app, where one can order a certificate online, read the news feed, and also get up-to-date information about the "shift exchange". Using the shift exchange, employees can choose the most suitable working hours by themselves in the online mode. The app is also convenient in that it can be accessed by the employees who have no accounts in the Magnit system or access to a computer.

As at the end of 2023, 87% of employees had access to the internal portal, and 69% of employees had installed the mobile app.

Personnel assessment, talent pool creation and talent management

Magnit's priority is the employees' personal and professional development. For this purpose, the Company has developed a competency model that is a guideline for each employee in the area of target corporate behaviour and opens up the opportunities for the development and promotion within the Company. In 2023, we updated the corporate competency model with the active participation of top managers and key business function managers.

Magnit uses various competency assessment tools to identify the level of development of key competencies of the employees and to form long-term plans to develop future skills. The approach and methodology are determined depending on the employee's position, which makes it possible to apply the best approach and obtain a quality result.

For the top management level, we organised and conducted the 360-degree competency survey as a pilot launch. Based on the results of the assessment, each survey participant received an individual report and personal feedback. This format of performance review ensured a unique and personalised approach to each top manager. Based on the results of the 360-degree competency survey, feedback from the participants was collected, which made it possible to form a quality understanding of the benefits and effectiveness of the competency assessment format and take a decision to scale the project in 2024.

For the level of key managers and employees of the Company's business functions and areas, a competency assessment was organised and launched in 2023 through an internal IT platform. 3,291 employees took part in the procedure. The assessment involved individual meetings on the exchange of feedback between an employee and his/her immediate supervisor, discussion of the level of development of competencies and growth prospects at the Company. The data obtained as part of assessing competencies and KPIs made it possible to launch a career management programme in 2023 to identify talents and plan succession at the Company. The main talent management and succession planning tool is the potential matrix. It makes it possible to:

- assess the development potential of employees;
- identify the employees with the development potential and competencies valuable to the Company;
- ensure that critical positions are secured and internal candidates fill in new vacancies in connection with the business development.

Magnit systematically implements and develops tools to assess and create a talent pool for mass positions in the retail network, logistics and other business areas. To retain and develop the Company's highly qualified employees, we regularly perform assessment measures that make it possible to create a talent pool (mass staff) and a talent base (office staff) in a timely manner, and improve assessment tools and software products used

Career management programme

2,493 employees

took part in the career management programme, 627 of whom were included in the Company's talent pool in 2023

- Each talent gets the opportunity to
- form an individual development plan taking into account the feedback from the managers and individual priorities and career development goals;
 - participate in unique comprehensive training programmes based on the employee's level;
 - priority consideration for target management positions at the Company.

in performing the assessment measures. This helps us prepare the employees with the necessary qualifications for future vacancies in advance and with minimum effort. The total coverage of the programme is 90% of the number of employees. A list of the assessment tools, performance and potential assessment standards, and frequency of assessment cycles has been determined for each position. In the area of assessment and talent pool of mass staff, 237 thousand retail, logistics and pharmacies employees were assessed in 2023. 44 thousand people were selected for the talent pool. Of the total talent pool, 26.5 thousand employees were promoted to higher positions.

In 2023, we developed a mobile application for the Company's managers to improve the assessment process and create a talent pool. The application allows assessing the subordinates and creating a talent pool in real time with minimum effort.

When managing the HR process, Magnit uses data for analysis, thanks to which the managers can easily determine the interdependence between different indicators, identify

trends and prevent potential problems. To effectively work with the talent pool, analytical dashboards have been created to monitor data on the employee assessment processes, create a talent pool, and fill in vacancies.

Employer brand and recruitment practices

An important area of Magnit's work is to maintain a high level of attractiveness of the employer brand in the labour market. We carefully consider the information about our brand on social networks, read reviews on forums, study publications in Telegram channels and other media sources. We also monitor feedback on major Russian retailers. This helps us better understand current needs and identify the areas for the development.

In 2023, the loyalty index rose by 27% from 1.1 in 2022 to 1.4 in 2023, with an average market indicator of 0.9. The positive trend is due to the Company's communications strategy that forms positive mentions peaks, which is reflected in the predominance of the positive agenda over the negative one and in the loyalty index above one. This also leads to an increase in positive mentions

of the Company. As a result, unlike its competitors, for four consecutive quarters the number of positive mentions of the Company in social media prevails over negative comments, which is an anomaly for the food retail market.

The Company's success is confirmed by expert assessments: every year we become winners and recipients of major HR awards.

Magnit HR Awards in 2023

<p>HR IMPACT 2023</p>	<p>1st place in the category Best HR Digital Transformation Project with the Golden Store Gamification Platform project</p>
	<p>3rd place in the category Best Corporate Culture Development Project with the Caring for People Internal Award project</p>
<p>Crystal pyramid 2023</p>	<p>2nd place in the category Best Employee Incentive Product 2023 with the Golden Store Gamification Platform project</p>
	<p>3rd place in the category Best Employee Incentive Product 2023 with the Caring for People Internal Award project</p>
	<p>Grand Prix in the category Best Corporate Incentive System 2023 with the System of Professional Skills Competitions "You Have Talent for This" project</p>

<p>Bema! 2023</p>	<p>3rd place in the category Corporate Communications B2I: best motivational/team-building project with the Final of the Professional Skills Competition for Employees of DC Magnit Vse Skladno (All Smooth) project</p>
<p>Inter Comm 2023</p>	<p>2nd place in the Lifestyle category, Cycle of Video Podcasts on Conscious Parenthood project as part of the Beyond Work lecture series</p>
<p>Recruitment Awards 2023</p>	<p>Grand Prix for the Best Mentoring System</p>
<p>Smart Pyramid Award 2023</p>	<p>Winner (third degree) in the category Best Corporate Education Project, Mentoring project</p>
	<p>Winner (third degree) in the category Best Corporate Training Programme, Knowledge of Retail Business training programme</p>
<p>Moscow Mayor's Grant 2023</p>	<p>Magnit retail chain was awarded the diploma in the 2nd competition The Most Friendly Institution for Customers with Disabilities for the best adapted stores for the customers with disabilities</p>

Recruitment practices

GRI 202-2

Magnit aims to form a strong team of professionals and attract talented specialists. To meet the need for certain categories of personnel, we implement special employee recruitment programmes. Applications from the applicants are considered on the basis of the principles of transparency and objectivity. We have zero tolerance to discrimination on the basis of age, gender, nationality, religious and political beliefs and any other grounds and consider all applications with the same level of involvement.

Magnit's recruitment tools include:

- internal and external recruitment sites;
- targeted advertising;
- Magnit's social media;
- Bring a Friend referral programme;
- targeted recruitment campaigns: Live Anywhere You Want, Work for Magnit, Summer Season, Winter Season, 60+, 16+, Mothers, Students;
- internal retraining programmes;
- a unified automated recruitment system based on artificial intelligence;
- internal migration centre;
- digital channels (advertising in navigators, in mobile applications);
- employment centre portal Work in Russia;
- outdoor advertising;
- cooperation with higher education institutions and colleges;
- targeted employment of people with health limitations and disabilities.

In 2023, Magnit adjusted its approach to recruitment to attract more specialists. We expanded the target audience of potential applicants, revised the channels for attracting personnel and launched internal retraining programmes.

Continuous automation of the recruitment process and development of the in-house recruitment centre help improve the candidate selection path, enhance recruiters' performance and cover new business areas, which is extremely important in the context of toughening competition.

Advantages of the in-house recruitment centre

Personnel performance

Ability to quickly process large candidate streams



Flexibility and adaptability

Ability to introduce changes to existing processes in a prompt and centralised manner



Transparency

Recording and audit of dialogues, availability of reporting, monitoring of SLA¹ compliance



Automated solutions

A reminder of the interview and registration, additional robotic calls to candidates, a task tracking system for specialists



Customer-centric service

Open hotline for candidates available from early morning to late evening every day



Rational approach

Efficient resource allocation and management



Centralised recruitment combined with targeted recruitment at the local level helps meet the main business need for working staff. The area of recruitment and onboarding of mass personnel acts as the centre of excellence to develop and support the automation of processes and analyse the competitive environment.

The Company uses modern automated HR tools that help simplify mass recruitment and increase the efficiency of recruitment.

The Magnit strong employer brand is an advantage that helps the applicants make a decision in our favour. It is important for the candidates to understand how a potential employer builds relations with the employees, what advantages it offers, how the culture of personnel training and development is formed. [The Magnit career site](#) provides this opportunity. It helps attract candidates by telling them about Magnit's corporate culture, facilitates the formation of the employer brand and immerses applicants in the Company's atmosphere. The applicants get the opportunity to study the site, assess whether they share corporate values and make a final decision on applying for a vacancy. The website also describes a detailed recruitment process, the selection stages to be completed by the applicant, the deadlines for completing the stages and receiving final feedback.

Automation of the process of commencing part-time employment was an important part of EXJ. The update of existing processes affected two large employee groups at once:

- administrators of retail facilities who, thanks to the new tool, were able not only to track their own staff, but also to place orders, receive responses and track part-time employees while using one tool;
- employees who were able to view and apply for interesting part-time jobs using their mobile phone through the special service My Part-Time Job in Your Magnit mobile app.

In 2023, the new tools became available to all employees of Magnit stores, Magnit Cosmetics and Magnit Pharmacy, and in the future the tools will be available to the employees of large-format stores.

Magnit actively engages young specialists in the internship programmes at the Company with the prospect of subsequent employment. Based on 2023 results, 1,255 people completed an internship at Magnit. In 2023, we implemented two internship programmes:

Magnetise Product – paid 3-month internship-championship on the development of the brand and product line together with the experts and top managers of the Company

- **1,161 applications** for participation in the case championship were received
- **21 people** were officially employed during the programme
- **6 internship** participants continued their career at Magnit

Office internships in various business areas gives young specialists the opportunity to undergo training while performing real tasks at the Company

- **More than 4 thousand applications** for participation were received
- **185 people** were officially employed during the programme
- **42 interns** continued their career at Magnit

In 2023, we also continued to implement the Dream Job project. As part of the project, children aged 16–17 get the opportunity to undergo training delivered by the Company specialists and take an internship at Magnit Cosmetics outlets.

In 2023, Magnit launched the ProfProdlenka (Professional After-school Club) project, which helps children find classes to their liking and decide on the choice of a future profession. As part of the project, children attend the excursions at production facilities, master classes and watch live broadcasts about modern professions. In 2023, six broadcasts, two excursions, three cooking master classes were held, and more than 22 thousand schoolchildren learned about the programme.

In the reporting period, the Department for Alternative Personnel Sources launched a programme to attract the employees from the foreign countries on the basis of the Company's open migration centre. Its objectives include international cooperation with the representatives of state authorities of the foreign countries and targeted attraction of the applicants to Russia for temporary employment with the Company. Currently, foreign employees are hired to work in the Company's warehouses and retail outlets. In the future, we plan to develop the employment of foreigners for mass recruitment positions.

Magnit actively supports inclusive recruitment practices. At the end of the reporting period, the Company employed 820 people with disabilities. We seek to create additional opportunities for recruiting people with health limitations and disabilities.

To this end, in 2023, we launched a special study on the Company's inclusive recruitment opportunities. With the participation of external specialists, we plan to identify the categories of vacancies in which the applicants with disabilities will feel most efficient. Based on the results of the survey, the Company will create new jobs for people with health limitations and disabilities.

Magnit creates employment opportunities for various age groups. In the reporting year, we continued to implement the project Jobs for Young People Over 60. At the end of 2023, 3,352 people were employed by Magnit under the project.

Another recruitment priority of the Company is to support the local communities. The geographical coverage of the Company makes it possible to create jobs in the most remote parts of the country, thereby stimulating and supporting employment in the regions. At the end of the reporting year, 98% of the Company's managers were recruited from the local population.

¹ SLA – Service Level Agreement..

Personnel structure

GRI 2-7, 401-1, 405-1

Magnit is present in 67 regions of Russia and is one of the largest employers in the country.

At the end of 2023, the number of employees was 357.2 thousand¹, which is 1% less than in 2022. Most of Magnit's employees (37.7%) are employed in Moscow District and Southern Federal District, where the majority of the Company's distribution, logistics and retail facilities are concentrated.

Magnit seeks to ensure the balance and diversity of its personnel. In 2023, the share of women in the personnel structure was 77%, which is due to the specifics of the Company's core activity, i.e. retail. The representation of women in senior management is 29%. Employees aged 30 to 50 years (61.1%) prevail at the Company.

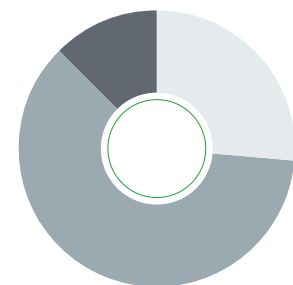
In 2023, voluntary staff turnover at Magnit amounted to 66.8%, which is 8.5 p. p. above 2022. The highest level of turnover was observed in distribution centres. At the same time, the Company maintains a high staffing level at 94.6%.

Magnit places special emphasis on reducing voluntary turnover at the Company. For this purpose, we review the recruitment approach and focus on creating the programmes to retain personnel, improve working conditions and increase employee motivation.

The efforts to reduce the turnover rate are made jointly by all business units: personnel, operations, logistics, office functions and in-house production facilities. Next year we plan to make even more efforts to reduce this indicator.

Personnel structure of the Magnit Group broken down, % by age

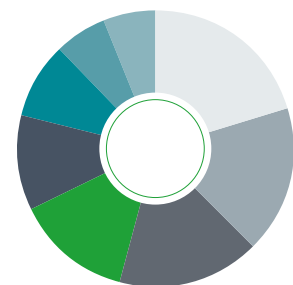
GRI 405-1



26.6 Under 30
61.1 30-50
12.3 Over 50

by regions of presence²

GRI 2-7



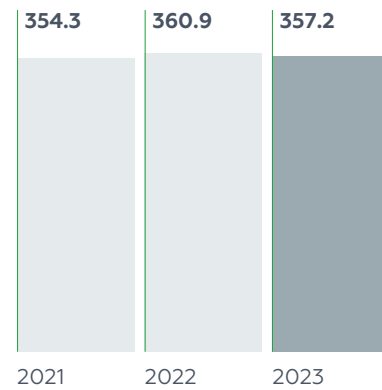
20.4 Moscow District
17.3 Southern Federal District
16.4 Urals Federal District
13.7 Volga Federal District
11.0 Central Federal District
8.9 Northwestern Federal District
6.2 North Caucasian Federal District
5.9 Siberian Federal District

94.6%

staffing level in 2023

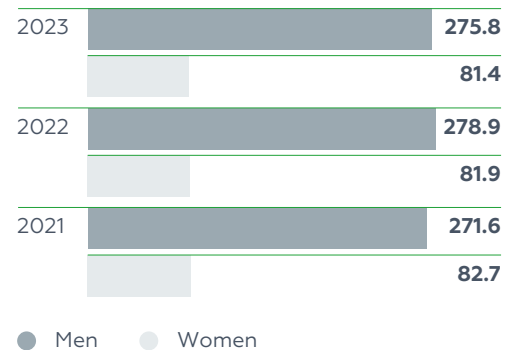
Changes in the headcount, thousand people

GRI 2-7



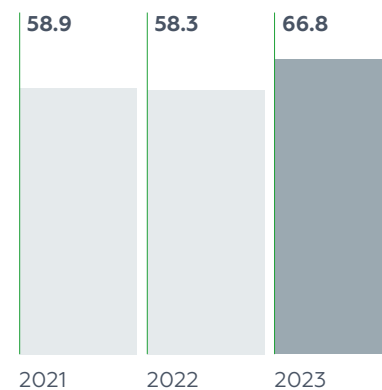
The headcount broken down by gender, thousand people

GRI 405-1



Change in the total staff turnover³, %

GRI 401-1



Remuneration system

GRI 404-3

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An effective employee remuneration system is one of the key priorities for the Company's personnel management. We set up the remuneration system so that the employees are interested in achieving high results.

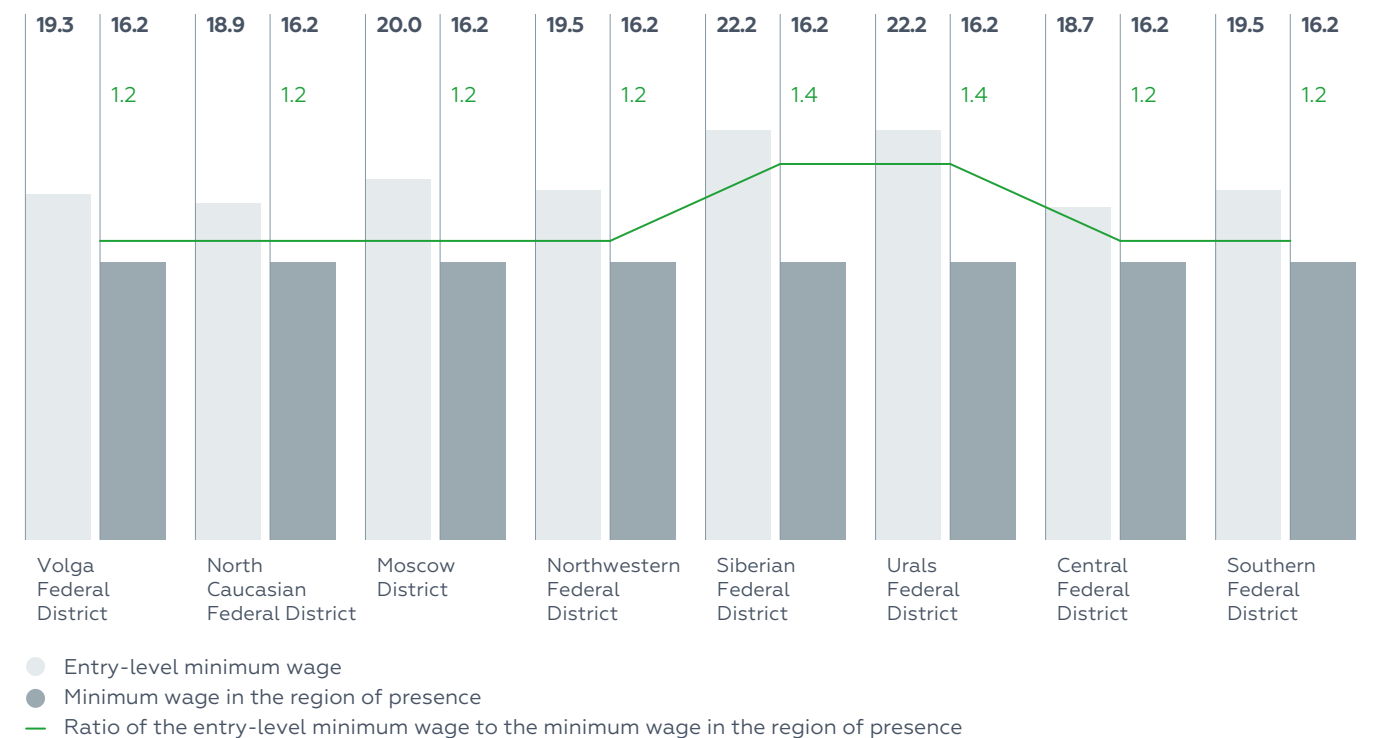
Magnit seeks to ensure a competitive level of salaries for all Company employees, regardless of the type of activity. Remuneration includes a fixed component and a variable component. The fixed component

includes salaries, allowances and additional payments. The variable component includes performance-based bonuses.

In 2023, the overall salary level at Magnit increased due to salary reviews at the Company, including to maintain the market level of remuneration.

Ratio of the entry-level minimum wage to the established minimum wage in the regions of presence, RUB thousand

GRI 202-1



Magnit adheres to the principle of fairness when determining the level of remuneration. The Company has a grade-based system that makes it possible to systematise the remuneration system and the Company's approaches to career and development management. Based on the year-end results, each employee's performance and level of competencies were assessed. This approach helps employees and managers take a more comprehensive look at the efficiency, identify strengths and points of growth and outline a plan of development and goal setting for the next period.

In 2023, 8,990 employees underwent performance and competencies assessment. The assessment was performed based on a corporate platform, which was upgraded to improve the employee experience during the assessment process.

¹ Without data on Magnit Market LLC (formerly KazanExpress LLC). For more information about the reporting boundaries, see the section "About the Report". With Magnit Market LLC, the number of employees is 361 thousand.

² 0.1% of employees work in the Republic of Uzbekistan.

³ In 2023, the demographic situation became even more noticeable, the demand for personnel from Russia's booming business sector grew significantly and resulted in a significant shortage of employees in the market and their redistribution between industries. Magnit felt this, but the Company managed to cope with this challenge and maintain a high staffing level at 94.6%.

Non-financial incentives

Magnit appreciates employees' participation in the Company's life and creates opportunities to unlock their professional potential. We hold professional skills competitions, implement non-financial incentive projects, and support initiatives proposed by employees.

In 2023, Magnit continued to focus on the development of non-financial incentive programmes. We expanded the Voluntary Health Insurance (VHI) programme: now almost 16 thousand of the Company's employees are covered by the programme. In addition, Magnit continues to insure the life and health of employees working in hazardous production conditions. A loyalty programme, increased discounts in chain stores and special discounts from partners are also available for employees.

Professional skills competition "Professional Season. You Have Talent for This"

Magnit holds an annual professional season of skills competitions among employees of various functions. Its goal is to increase the attractiveness of the employer brand and to enhance the loyalty of the best employees to the Company. Six skills competitions were held in the reporting year. At the regional stage of the competitions, 1,734 employees became winners, and 443 best employees were selected for the finals of the competitions. Based on the results of the competitions, employees reached the final and were awarded valuable prizes and memorable gifts.

The Best Cash Desk competition

In 2023, we held the first Best Cash Desk competition on the cashier seller's competence developed jointly with the agency Labour Evolution LLC (World Skills). The participants went through three stages of the competition:

- qualifying stage: 544 winners were selected based on the cashier rating;
- semi-final: 57 winners were determined based on the results of testing for knowledge of work technologies, work standards at the cash desk, rules for interacting with customers;
- final: six winners of the competition were determined based on the results of the tests. Each employee went through a block of competitions in three areas: work in stores, standards of interaction with customers, standards of work at the cash desk. Each stage was assessed by competent and accredited experts based on 92 aspects.

For more information on the Best Cash Desk competition, follow [the link](#).

Golden Store competition

In 2023, we held a professional skills competition among the Magnit Cosmetics employees. Throughout the year, participants strove to improve their performance in the professional rating and completed additional tasks. The rating was based on the performance indicators for each store. In total, all employees of the Magnit Cosmetics format took part in the 2023 competition, and 121 participants were selected for the final. Based on the results of the competition, 44 participants were among the winners and received diplomas, memorable prizes and gifts.

For more details on the Golden Store competition, follow [the link](#).

Battle of Cooks competition

Magnit held a competition to identify the best cooks in the Company's hypermarkets. The participants competed in three categories: cooking, baking and confectionery. The participants' task was to prepare three dishes in their category from a limited number of products. The winners were determined through a tasting by the jury: internal experts and international chefs. Based on the results of the competition, nine thousand employees passed three stages of competition: ranking, semi-final, and final. 209 employees were selected for the semi-final of the competition, 27 people from each district. 72 employees made it to the final stage, and nine of them were declared winners.

For more details on the Battle of Cooks competition, follow [the link](#).

Fantastichesky Uchet (Fantastic Accounting) competition

In 2023, the professional skills competition Fantastichesky Uchet (Fantastic Accounting) was held among employees of the Magnit's Shared Services Centre. During the competition, employees passed team and individual tests. The individual competition was held in the form of an online quiz and was divided into two stages:

- at the first stage, participants scored points for correct answers in an online quiz that tested knowledge of work and accounting technologies. Based on the results of the stage, 110 rating leaders were selected for the final;
- at the second stage (team stage), teams were formed that took part in the quiz, the questions of which were based on knowledge of work technologies; the team's task was to score points for the correctness and speed of decisions.

At the end of the second stage, the winning team was determined based on the number of points scored. In the individual competition, the heads of divisions determined the winners in special individual categories. In addition, 11 winners were determined based on the results of voting by employees of the divisions.



For more details on the Fantastichesky Uchet (Fantastic Accounting) competition, follow [the link](#).

Non-financial incentive competitions

In 2023, we organised competitions to provide non-financial incentives to employees. Participants were tested for professional knowledge and skills. In the reporting year, seven projects with about 261 thousand participants were completed.

Best Auditor competition

The competition was held for the employees and heads of the audit department. The participants competed in skills according to five indicators: reporting, quality of the accounting event, workload, employee activity level, efficiency. Based on these indicators, an individual rating was formed to determine the winners. An individual rating was used to determine the competition winners. Based on the results of the competition, 24 auditors and one department head were awarded.

Best in Quality competition

The purpose of the competition is to reduce cases of expired products on store shelves. The heads of the Company's retail outlets where the lowest number of expired products was discovered were awarded with memorable plaques. The winners were determined through a rating based on the following main indicators: the quality rating of audits, the number of products identified with an expired shelf life, and the number of customer calls to the Company's hotline regarding product quality. In total, 34 managers were awarded as part of the competition.

Best in Magnit Cosmetics competition

The employees of Magnit Cosmetics chain competed in operating efficiency indicators. Based on the results of the competition, the final rating of employees was compiled and 5,831 winners were determined.

Club of the Strongest competition

The competition was held among Magnit Cosmetics chain employees who showed the best results in meeting the set of indicators during the year. During the last week of December 2023, participants competed in the day-to-day sales growth. In total, 990 employees took part in the competition, 486 of them became winners.

Sell More! Sell better! competition

The participants from among the Magnit stores employees competed in retail turnover in the high season. The winners were determined based on the maximum percentage increase in revenue in December compared to November 2023. In total, 190 thousand employees took part in the competition, and 27 thousand received the awards.

Best Traffic Safety Specialist competition

Professional skills competition among health workers and traffic safety specialists. The three best health workers of the Company are determined based on the indicators of passing training tests and checks for technology violations in the course of their activity. To determine the first best traffic safety specialist of the Company, the accident rating of the transport unit for the year is added.

Projects for the employees with children

A special area of increasing employee loyalty is the implementation of projects for the employees with children. In the reporting year, we implemented three major projects in this area.

Summer with Magnit Cat project

As part of the project, we created a game advent calendar with daily educational tasks and master classes for children for each day of summer. In total, children could participate in 92 tasks. As a result of the project, more than three thousand children of employees completed the tasks in the advent calendar, 100 children received gifts and memorable prizes for winning in various competitions as part of the project.

Joint project with Moscow State University "Conscious Parenthood. Fathers and Children"

To maintain a family spirit and a positive atmosphere, as well as to involve and retain employees, we developed the Conscious Parenthood communication platform. On the platform, employees can view training videos and broadcasts on conscious parenthood. In total, two seasons of special issues were released on the platform. They were recorded by the Faculty of Psychology of Moscow State University and the Psychology Institute of the Russian Academy of Education (professors, associate professors and candidates of sciences, fellows). They shared valuable knowledge and practical solutions to problems of interacting with children. As part of the second season of the project, we released ten video and audio podcasts

Beyond Work project

As part of the Beyond Work project, with the support of the Children's Safety School "Stop Threat", we continued the cycle of online lectures on children's safety launched in 2021. In particular, the following topics were covered in video podcasts:

- how to protect oneself in emergency situations;
- how to protect oneself from bullying.

Ice Cream Allowed project

In connection with the child protection day, the Ice Cream Allowed project was held in 12 cities. On 1 June, children of the Company's employees had the opportunity to:

- visit the workplaces of their mothers and fathers;
- listen to useful training sessions;
- enjoy delicious ice cream.

In total, more than five thousand children of employees visited the Company as part of the project.



For more details on the project, follow [the link](#).

Social support for the employees

GRI 401-2

Magnit provides extensive social support for our employees. The key areas of the Company's support are the provision of a comprehensive social package, including the provision of financial and non-financial aid, various types of insurance,

hot meals for certain categories of employees, comprehensive discount programmes and other types of social support.

Employee support system

Social support for employees

Pay

- Remuneration in cash
- Reimbursement of the business-related expenses
- Employee relocation support
- Additional support for the employees working in regions with special climatic conditions

Benefits and guarantees

- Financial assistance programme for employees in difficult life situations
- Employee and Family Health Assistance programme
- Voluntary health insurance, psychological support and telemedicine
- Life and accident insurance for special job categories
- Gifts for employees' children
- Loyalty programme for the employees
- Increased discounts for the employees in chain stores
- Special discounts from the partners

Social programmes

- Active lifestyle support
- Volunteering

Competitions

- Professional skills competitions among the employees
- Programmes to honour the best employees and mentors
- Gamification of the business processes

In 2023, we significantly increased the amount of funding for social support for employees. A total of RUB 1,145.6 million was allocated. A significant increase in financing was due to the expanded coverage by various types of insurance, higher amount of financial support for the employees, extended coverage of meals provision for the employees at logistics facilities at the Company's expense, a higher number of target audiences for professional skills competitions, social and award programmes, recipients of New Year gifts, etc.

Targeted support for the employees

Each employee can seek material support in the event of a difficult life situation. The approach to managing targeted support is set forth in the Regulations on Financial Assistance for Employees. The Company has various communication channels through which employees can seek support:

- hotline of the Company's call centre;
- your immediate supervisor and HR specialists;
- corporate email on financial support to employees.

Requests received are processed on a case-to-case basis and the support process is launched based on the communication results. In critical situations, the Company makes emergency financial payments.

Non-financial support for the employees

In 2023, 797 employees received departmental awards, 21 of them were given for the first time to our volunteers from the Environmental Chamber.

In addition, 9,740 badges of distinction were given for the length of service at the Company, which is 4,240 more than in 2022. In 2023, two new types of awards for the length of service were added – for 15 and 20 years of service.

Monthly Active Users of the Golden Store gamification platform for MC stores accounted for about 92.78%, and Favourite Store of the smaller format (Magnit convenience store) – 83%. 12,130 outlets of both formats received prizes for high performance thanks to this platform. NPS of the smaller format (Magnit

Every year we review the methods of social support and, based on the feedback from the employees and external challenges, adapt the system to current needs. To this end, we perform additional analytics of employee satisfaction and loyalty, study their needs, and monitor current trends in social support. Based on the analysis results, Magnit introduces new areas of social support.

As part of social programmes, 209 thousand sweet New Year gifts were traditionally given to the employees' children in 2023. In 2023, the age range became wider than in the past. Now gifts are given to children not only from two to 10 years old, but also 11 and 12 years old. The Net Promoter Score of the gift among employees' children was +39.72%, among their parents it was +56.92%.

797 employees
received departmental awards in 2023

convenience stores) was +68.6% and NPS of Magnit Cosmetics was +84.1%. In 2024, it is planned to launch a similar platform for employees of large-format stores.

Training and development

GRI 3-3, 404-1, 404-2

Magnit places special emphasis on training employees and developing their professional competencies. We consistently deliver educational projects and events, develop tools to support and improve the skills of our employees. This helps us maintain the necessary level of competence and form a strong talent pool.

Today, the Company organises more than 36 professional development and professional retraining programmes, more than two thousand online and offline educational courses, and has an internal Corporate Academy. In 2023, the Company held 1.9 million training hours and 175 professional conferences attended by 24.6 thousand employees. The average number of training hours per employee was 36 hours. More than 190 professional workshops were held with the involvement of experts. They were attended by more than six thousand employees. The NPS of the Corporate Academy programmes in 2023 was 85%.

36

the average number of training hours per employee in 2023

1.9 million

training hours the Company held in 2023

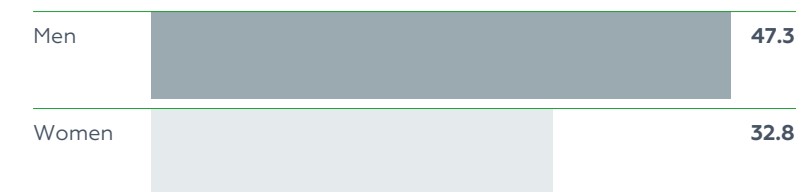
85%

NPS of the Corporate Academy programmes in 2023

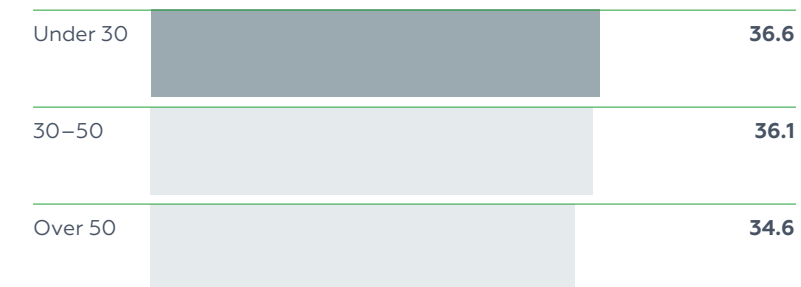
Average number of training hours per employee in 2023

GRI 404-1

by gender



by age

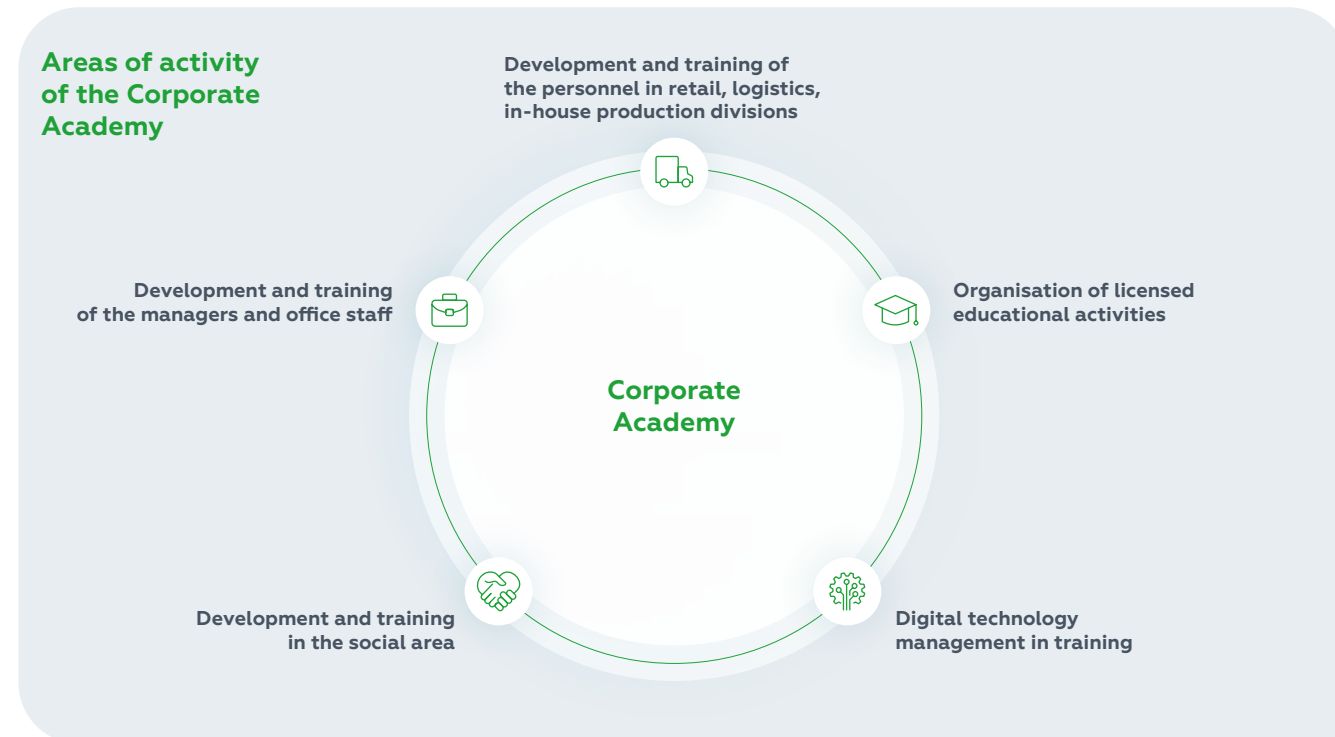


The Regulations on Employee Training is the key training and development document at the Company. The document sets out the training procedure for employees and describes training mechanisms involving external resources. The Company also has special training regulations for each division and business function taking into account their specifics and the need for additional professional development. In 2023, the average number of training hours under professional development and retraining programmes per employee was 0.03 hours.

Corporate Academy

The Corporate Academy plays a key role in organising training for the Company's employees. It is in charge of training employees from various divisions of Magnit. The Corporate Academy launches special educational projects for various divisions of the Company and provides educational support in organising internal events.

In total, the Academy has eight faculties, on the basis of which educational projects are implemented to form sector skills among employees, and the talent pool undergoes training.



In 2023, the following projects were in the spotlight:

- adaptation of employees to working conditions;
- development of the mentoring culture and mentoring programmes;
- implementation of level talent development programmes;
- organisation of educational training courses among the Company's managers in the areas of change management, optimisation and re-engineering of business processes;
- development of social education courses;
- creation of a favourable digital environment in training, seamless connection from various devices and learning management options in a digital environment.

Faculties of the Company's Corporate Academy

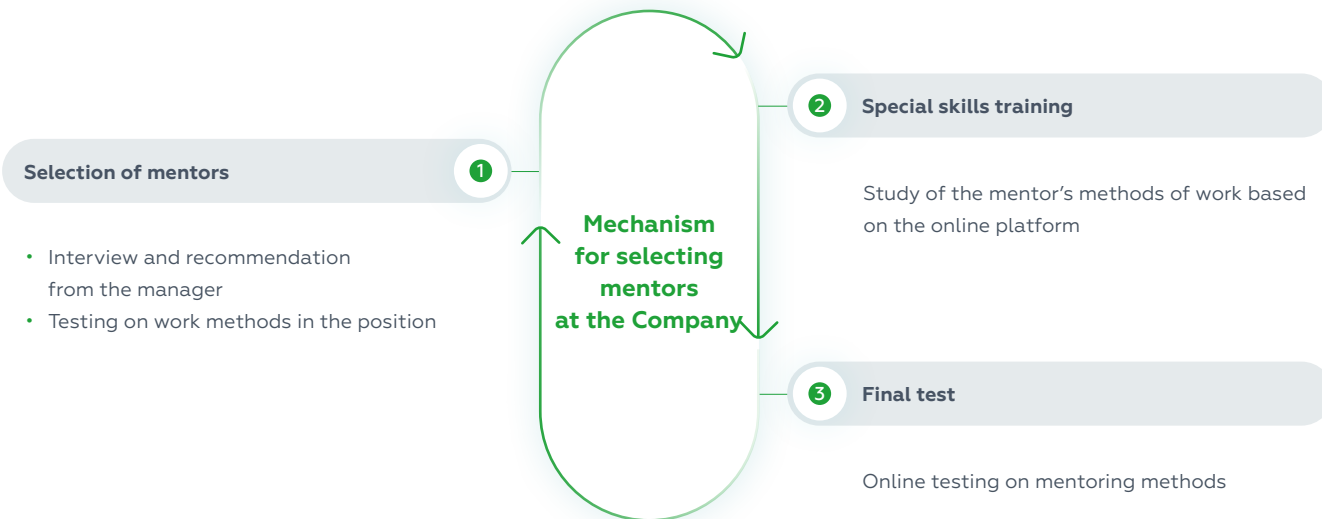
Retail Faculty <ul style="list-style-type: none"> • Retail technology training • Organisation of training courses on management competencies in retail for managers 	BPM¹ Faculty <ul style="list-style-type: none"> • Training in business process analysis, monitoring, modeling and optimisation competencies
Supply Chain Faculty <ul style="list-style-type: none"> • Training in supply chain technology, operational logistics, transport management • Improvement of management competencies in logistics 	IT Faculty <ul style="list-style-type: none"> • Training in management competencies for IT specialists • Engagement of external specialists for training in IT technical competencies
Category Management Faculty <ul style="list-style-type: none"> • Training under the special category review programme • Training in effective communication and negotiations for category management specialists 	HR Faculty <ul style="list-style-type: none"> • Training in the main areas of HR: organisational design, performance management, recruitment and talent management • Training in business process re-engineering in HR
Own Production Faculty <ul style="list-style-type: none"> • Development of a training programme on agricultural facilities and production technologies • Launch of a mentoring programme at production facilities 	Agile Faculty <ul style="list-style-type: none"> • Training in Agile methodologies and skills in comprehensive implementation of the business tasks

Mentoring support

To develop a culture of mentoring and transfer of knowledge by employees within the Company, the Mentoring World programme was launched. The main task of mentors is to introduce the new employee to the Company's processes and show the methods of performing work tasks. The mentor helps new employees establish internal communication with other team members.

The employees from retail, logistics and own production units can participate in the mentoring programme. To become a mentor, an employee should undergo selection and special training.

¹ BPM – Business Process Management.



Mentoring World programme

In 2023, the 2023 Best Mentor competition was held based on the results of the programme and in order to recognise and reward the professional skills of mentors. The main indicators of determining the winners are the number of trained new hires, the results of their training, the term of work with the Company after training with a mentor. The results were formed in three stages:

- at the level of the Company's branches/groups/facilities;
- at the level of federal districts;
- at the level of the entire Company.

Based on the results of the competition, formal online conferences were held during which winners among mentors of various business units were awarded. 1,454 winners were awarded as part of the 2023 Best Mentor competition in three areas:

- Best Retail Mentor – 1,137 mentors were awarded in the smaller format stores (Magnit convenience stores), Magnit Cosmetics, larger format stores;
- Best Logistics Mentor – 274 mentors were awarded in transport units/distribution centres;
- Best Own Production Mentor is a competition among own production units, 43 mentors were awarded.

In 2023, 16 thousand employees took part in the Mentoring World programme, one thousand of whom joined it for the first time.

For more information on the Mentoring World project, follow [the link](#).

Key results

16 thousand

employees took part in the Mentoring World programme in 2023

1,454 winners

were awarded as part of the 2023 Best Mentor competition



Key projects in 2023

Magnit strives to organise employee training based on current requests and needs within the Company. To do this, we launch various educational projects that help acquire or develop the necessary level of competence.

Digital learning environment for employees

Magnit focuses on the development of the digital environment and digital opportunities for employee training and development. The Company is developing the Magnum LMS (learning management system) platform. Using this platform, an employee can manage his/her training, train his/her team, assign the necessary courses, see progress in training.

In 2023, the automation of mentoring management was completed, and managers can 24/7 manage the processes of assigning mentors to new hires, see the progress of a new hire, the mentor also sees with what speed and quality the new hire receives theoretical knowledge. At the right time, the system notifies the mentor of the need to provide support and assistance to the new hire, submits status reports to the manager. The system monitors the receipt of up-to-date information by a mentor, assigns training to active mentors on a quarterly basis, and does not make it possible to assign a mentor if he/she has not received training in the mentoring techniques and has not passed professional testing.

Magnum has an automated system of assigning induction training and briefings with notification systems. Each employee of the Company has free access to the training system from various devices through password confirmation by phone number, which significantly facilitates access to content.

Convenient navigation, catalogue search, the ability to choose the courses that are needed today enable employees to independently develop at a time convenient for them. Managers regularly receive training analytics with the necessary metrics. Magnum can be accessed either directly or through Your Magnit mobile app. A digital library based on Alpina Digital is available to employees. Training Space and other e-platforms are used to deliver skills training. Ahaslides and other digital tools are available for various interactive training events for managers. In 2023, chatbot training for employees and partners was introduced. Magnit has a stationary Idesk interactive video studio for independent production of video content by the employees and a mobile video studio that makes it possible to quickly create video lessons using various interactive technologies and instant editing.

Leaders Teach Leaders programme

Magnit is actively developing the Leaders Teach Leaders system whereby managers participate in content creation and in training courses as trainers. The programme allows you to get the maximum effect from the training and create an environment of transferring knowledge to the practical plane. In 2023, more than 2.5 thousand managers participated in training courses and other employee training formats.

To support such managers, the Corporate Academy provides training on how to be a trainer and how to train adults. In 2023, more than ten groups were held, and more than 150 managers participated in them.

Training of foreign employees

As part of targeted recruitment of employees from foreign countries, in 2023 we launched a special educational website for new employees. The website contains detailed information on the Company's work:

- specifics of work in distribution centres;
- description of the employee's work tasks;
- description of the standard working day of the storekeeper-sorter;
- frequently asked questions.

The website also contains real feedback from the employees and video introductory materials from the distribution centre.

For more information on the website for the employees from the foreign countries, follow [the link](#).

Training of employees over 16

In 2023, we continued the project to hire employees over the age of 16 for entry-level positions in the Company. Vacancies are available at Magnit Convenience stores, Company supermarkets and Magnit Cosmetics stores. For positions in the Magnit Cosmetics network, we also consider applicants from 14 years old.

In order for the young people to quickly adapt to the new role, a special site was launched. The website describes the following key details to be considered before starting work:

- appearance rules;
- questions to ask the manager on the first day of work;
- rules for communicating with customers;
- description of work technologies and future job duties.

The website also contains answers to the most frequently asked questions, for example, how the work schedule is formed or when salaries are paid.



For more information on the employment of individuals over 16 years of age, follow [the link](#).

“Leadership Energy” Career Development Programme

Talent support and development is one of the key priorities for our Company. In order to better develop management competencies among managers, we launched a level career development programme “Leadership Energy.” The programme is divided into the levels depending on the employee grades:

- Impulse – for junior managers;
- Compass – for middle managers;
- Gravity – for senior managers.

Based on the training results, employees develop leadership skills that correspond to the current internal needs of the Company.

As part of the leadership training, the Company also runs the Leadership Workshops programme. The programme is attended by leaders who are preparing to take leadership positions. The completion of the “workshops” is a prerequisite for managers for moving to the next grade. Enrolment in the development programmes is initiated by managers based on the results of the annual performance assessment of employees. In 2023, 125 employees took part in the programme.

Impulse programme

Goal

Development of management experience

Objectives

- Mastering tools to solve business problems and make decisions
- Development of negotiation skills
- Training in the principles of building an efficient team
- Study of the methodology for building processes according to the principle “from the customer”

Programme plan

- Five training modules in the company's corporate academy
- Two online master classes
- Presentation of the final project

Results

- **60 employees** completed the programme in 2023

Compass programme

Goal

Development of strategic thinking

Objectives

- Study of the best russian and international leadership practices in team management
- Training in cooperation and cross-functional interaction skills
- Training in the skills of organising conditions for the development of sector competencies
- Development of customer focus competencies

Programme plan

- Four training modules organised jointly with one of the country's leading universities
- Three online master classes
- Presentation of the final project

Results

- **43 employees** completed the programme in 2023

Gravity programme

Goal

Development of the leadership potential, strategic vision and business thinking

Objectives

- Strengthening leadership and effective communication skills at various organisational levels
- Development of skills in finding new solutions and creating innovative products based on market trends
- Development of thinking flexibility, openness and readiness for change
- Supporting the corporate culture and values, strengthening leadership positions in the sector

Programme plan

- Three three-day training modules organised jointly with the russia's leading innovation centre
- Three online master classes
- Presentation of the final project
- Wellbeing events¹ and meetings with guest speakers

Results

- **22 employees** completed the programme in 2023

Corporate volunteering

The most important area of the Company's social activity is the organisation of volunteer initiatives. The Company has a corporate volunteer movement – Kindness in the District. Employees organise and take part in volunteer events in three key areas:

- caring for people;
- caring for nature;
- caring for animals.

Volunteers visit social institutions and shelters, organise entertainment events for socially vulnerable categories, participate in eco-initiatives, and independently initiate volunteer initiatives.



¹ Wellbeing events – wellbeing support events.



Key volunteer projects

Caring for people

Project	Project description	2023 results
DOBROzhdenie project	<p>In 2023, we launched the DOBROzhdenie charity volunteer project for the Company's birthday.</p> <p>As part of the project, employees organised entertainment quests in social institutions, sports tournaments for children, concerts in nursing homes, and much more. Volunteers also helped animal shelters: organised the collection of necessary products and medicines, played and spent time with the wards of the shelters.</p> <p>For more details on the project, follow the link.</p>	<ul style="list-style-type: none"> • 870 volunteers took part in the project • Charity events were held in 25 cities of the country • A total of 32 social institutions and shelters received support from Magnit
Day of Older Persons	<p>In support of the Day of Older Persons, Magnit employees held master classes on makeup for the elderly, and organised tours at the Company's own production facilities.</p>	<ul style="list-style-type: none"> • 25 people participated in master classes held by the Company • Four tours were conducted as part of the project
Day of support for children with cerebral palsy	<p>Together with the Font of Kindness project, in 2023 the Company's volunteers launched the project on social networks, on career websites and information stands in the Company's workspaces in support of children with cerebral palsy.</p> <p>We also provided information support to the project and posted Font of Kindness banners on the Company's website.</p>	<ul style="list-style-type: none"> • 20 Company volunteers • The total project coverage in social media is more than 80 thousand views
Donor Day at the Company	<p>The Company held a voluntary blood donation campaign among employees. Employees also attended a series of lectures on blood donation rules. In 2023, employees of Magnit Srednyaya Aziya joined donor activations.</p>	<ul style="list-style-type: none"> • Voluntary blood donation events were carried out in eight regions • 11,839 employees became donors in 2023
Kind Fairs project	<p>In 2023, the Company launched a pilot project to hold charity fairs in the offices of the parent company, the Urals Federal District and Northwestern Federal District. The event was attended by charitable organisations working with people with disabilities. Employees had an opportunity to learn more about charitable organisations and current needs of their beneficiaries. The fairs were organised at the event where the representatives of charitable organisations presented handmade products of their beneficiaries. All proceeds from the sale of souvenirs were transferred to the accounts of charitable foundations.</p>	<ul style="list-style-type: none"> • Three charity fairs were held at the Company's offices

Caring for nature

Project	Project description	2023 results
Organisation of clean-up days	<p>As part of the project, a series of educational events were held for the Company employees. At the lectures, employees learned about:</p> <ul style="list-style-type: none"> • waste sorting rules; • principles of separate waste sorting in offices; • methods of handling rare types of waste such as batteries, various types of plastics, teflon, etc. 	<ul style="list-style-type: none"> • About 6.5 thousand employees took part in clean-up days • 122 clean-up days in 113 cities were held with the support of the Company volunteers
Environmental Care Week project	<p>As part of the project, a series of educational events were held for the Company employees. At the lectures, employees learned about:</p> <ul style="list-style-type: none"> • waste sorting rules; • principles of separate waste sorting in offices; • methods of handling rare types of waste such as batteries, various types of plastics, teflon, etc. 	<ul style="list-style-type: none"> • Three lectures at the Company's three offices were held as part of the Environmental Care Week • 120 employees participated in educational events during the Environmental Care Week
Eco-lessons for schoolchildren	<p>In 2023, the Company volunteers organised educational eco-lessons for children in schools. The project included a series of lessons on environmental protection. At the lessons, children learned about the rules for separate waste collection and waste management and an environmentally friendly lifestyle.</p>	<ul style="list-style-type: none"> • 22 eco-lessons were organised as part of the project • Five employees participated in the organisation of eco-lessons

Project	Project description	2023 results
Organisation of visits to animal shelters	<p>The Company volunteers regularly arrange visits to various animal shelters. As part of the visits, employees bring animal food, medicines and household supplies, equip shelters and walk the pets.</p>	<ul style="list-style-type: none"> • 3,911 volunteers took part in visits to shelters and animal care activities • 59 visits to shelters were carried out by our volunteers

Magnit supports the Company’s volunteering culture. For this purpose, we hold events to promote this area and organise general meetings of the Company’s best volunteers.



Grant competition for employees

Our Company supports the employee volunteer initiatives. In 2023, the Company held a grant competition among the Magnit employees for the third time. To participate in the competition, each employee could tell about his/her volunteer project by completing a special questionnaire on the Company’s internal website. In total, employees proposed 73 projects. Among all applications, the expert jury selected nine best projects, and the tenth winner was selected through employee voting on Magnit’s internal website. Each winner received a grant to develop his/her volunteer project.



Meeting of volunteers

In 2023, to form a sustainable volunteer community, the Company hosted the third annual meeting of the best volunteers – ambassadors of the Kindness in the District volunteer movement. The meeting was held offline in St. Petersburg. At the meeting, volunteers:

- attended speeches by representatives of the organisers of leading volunteer projects in Russia;
- discussed the best volunteer initiatives of the Company employees;
- considered key areas of development of the Company’s volunteer work;
- participated in a city volunteer quest.

The best volunteers of the Kindness in the District project were awarded special diplomas in 2023.

Plans for 2024 and the medium term

In 2024, we plan to focus on the following HR development areas:

- development of programmes to improve working conditions;
- completion of the process of transition to electronic document management;
- improvement of employee loyalty;
- development of inclusive recruitment practices;
- increased flexibility in forming the work schedule by rank-and-file employees, creation of an internal “shift exchange”;
- development of the financial employee incentive programmes;
- increased focus on talent development programmes;
- development of the mentoring system;
- introduction of new employee training formats;
- development of the Leaders Teach Leaders training system;
- development of professional communities as an important element of sharing best practices and peer-to-peer training;
- development of the digital learning environment;
- development of the AI use in the creation of training content;
- scaling up social projects to provide training and vocational guidance to children under the state’s care with paid internships.