

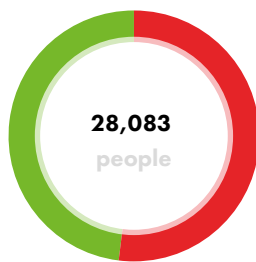
CORPORATE CULTURE AND PERSONNEL

>28,000 
 Group headcount as of the end of 2018

37 
 average number of training hours per employee per year

34.2% 
 rate of voluntary staff turnover within the Group

Group average headcount



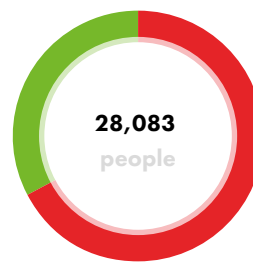
14,630

M.Video employees

13,453

Eldorado employees

Gender breakdown of Group personnel



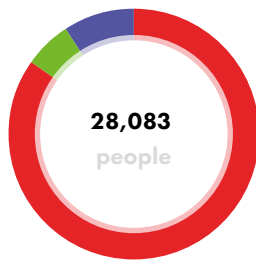
18,953

Men

9,130

Women

Number of Group personnel by main categories



23,799

Retail

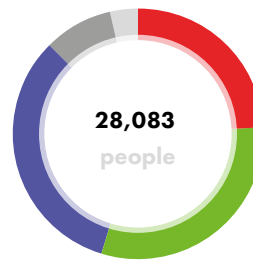
1,726

Office

2,558

City level¹

Group personnel by age



24.4

Up to 26

30.6

26-30

32.9

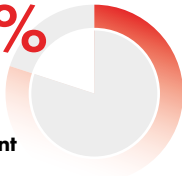
31-40

8.9

41-50

3.3

Over 50

80% 
 vacancies for management positions filled by internal candidates

¹ Support staff (contact centre, warehouses, services, etc.).

M.VIDEO–ELDORADO GROUP CORPORATE CULTURE

AS PART OF THE MERGER OF M.VIDEO AND ELDORADO IN 2018, THE GROUP WAS FACED WITH THE TASK OF LAYING THE FOUNDATIONS FOR A UNIFIED CORPORATE IDEOLOGY AND TRANSFORMING THE CORPORATE CULTURE AND EMPLOYER BRAND.

The Group’s corporate culture is based on a renewed mission and values formulated after the successful merger of M.Video and Eldorado.

See the section ‘Group portrait’, p. 4



The key elements of the Group’s mission are its customers, partners, employees and the entire ecosystem in which the Group operates. As the largest player in the Russian market for household appliances and electronics, the Group is aware of its responsibility for the development of the industry in which it operates and for the formation of best practices in Russia’s consumer electronics market. The Group aims to use its size and experience for positive changes both in the industry and on a global scale.

The Group’s corporate culture is based on the ideas of partnership, responsibility and engagement with all stakeholders. The combination of the size of our business and the challenges of further dynamic growth requires

flexible decision-making on the part of every employee, as well as the ability to adapt quickly to changing market conditions and to the needs of our customers.

In carrying out work to form a corporate culture and develop personnel management, the Group strictly adheres to the requirements of Russian legislation and applicable international standards.

Personnel management system

Group employees are the key to our success in building a sustainable and profitable company. We create value for our employees by earmarking significant resources for their development. All employees of M.Video–Eldorado Group are provided with ample opportunities for career management, training and professional development. We also work to provide adequate social conditions for every employee and to ensure the rights of employees, including compliance with the principles of equality and non-discrimination.

Strategic initiatives in personnel management

Strategic areas	Key objectives
A new corporate culture	
Group unity and the value of each brand	<ul style="list-style-type: none"> • A further increase in staff engagement • A unique value proposition within retail brands and at corporate headquarters
A strong, innovative HR brand not only in retail	<ul style="list-style-type: none"> • Strengthening our position as one of the leading employers in Russia • Expanding target audiences to attract staff
ONE RETAIL Concept	
Digital thinking	<ul style="list-style-type: none"> • A system of organisational interaction as an alternative to a hierarchical system • Solutions based on HR data
A technological HR brand	<ul style="list-style-type: none"> • An attractive IT brand • Seamless employee–Company interaction • Automation of HR processes
Business performance	
Strategic goals: >6% EBITDA, >30% market share	<ul style="list-style-type: none"> • Performance of small-format stores • Performance of promotional staff and outsourcing
Attraction and retention of talent	<ul style="list-style-type: none"> • Increasing the speed of recruitment • Reducing staff turnover • A strong candidate pool

BUILDING A STRONG IT brand



One of the most important challenges in the implementation of the ONE RETAIL strategic concept is to attract qualified specialists in the field of IT to work for the Group. With this goal in mind, the Group considers IT to be the core of its HR brand positioning, as it improves the flexibility of its organisational structure and business processes and ramps up communication with the professional IT community through social networks and specialised media resources (habr, vc.ru, etc.). In addition, the Group is working on launching an internship programme and forming a retail community for young IT specialists that is intended to raise awareness of innovative Group projects that require a solution to non-standard work-related tasks.

Principles of the personnel management system

Importance of engagement

The Group defines engagement as an employee's desire and motivation to play an active role in the life of the Group, understanding and supporting its values, and showing a willingness to participate in the achievement of corporate goals. A high level of personnel engagement is one of the key factors behind M.Video and Eldorado's customer-oriented business.

We work on the engagement of every employee, encouraging initiative and offering openness to change, a flexible organisational structure and interesting professional work. As part of an open dialogue, management aims to communicate to every employee their team's strategic goals and to receive regular feedback from staff. We also create an environment of open communication, and we actively involve employees in the life of the Company through corporate events, non-financial incentivisation programmes and volunteer projects.

Based on engagement indicators in 2018, M.Video and Eldorado were among the best employers in Russia according to hh.ru: M.Video was the best employer in Russian retail, and Eldorado was in the top 10.

The M.Video brand was also recognised as the best employer according to the annual AON Best Employers survey. Aon Hewitt and AXES Management, a global leader in HR consulting, rated the levels of employee engagement and satisfaction at more than 100 companies and singled out the top eight. The M.Video brand was the only Russian retail chain included on the list; the level of engagement on the part of the brand's employees was 85%, which is more than 20% above the average for Russia.

M.Video–Eldorado Group is proud that the turnover rate among its personnel is significantly lower than the market average, at 34% (the aggregate figure for both brands) as of the end of 2018.

Leadership in innovation

M.Video–Eldorado Group is constantly introducing innovations aimed at strengthening its competitive advantages and investing in the development of technologies in all areas of its activities. We incorporate the latest technologies into the lives of our customers, partners and employees through the digitisation of business processes.

Digital workspace

M.Video–Eldorado Group is developing its digital environment in order to provide convenient access to personnel, administrative and IT services. Employees have a single entry point through the EM.Life portal, which can be accessed through standard computers and mobile devices so as to order and receive services.

Transparent and balanced goal setting

The Group regularly sets and passes from the top down monthly, quarterly and annual targets for all employees. Employee remuneration depends on the fulfilment of balanced KPIs aimed at achieving the Group’s financial goals, improving operational efficiency and ensuring sustainable development.

Flexible working arrangements

Since 2018, M.Video has been using software to set flexible working hours for retail personnel. A special program determines individual work schedules depending on the dynamics of customer flow, demand specifics, store location, time of day and employee wishes. In addition, the Company has introduced a time management system based on biometric facial recognition technology, which makes it possible to automatically calculate retail employees’ working hours, to improve the transparency of payments, and also to quickly change the number of consultants in stores depending on traffic, promotions and other events. The flexible scheduling system combined with the biometric solution creates a convenient and transparent remuneration system, significantly reduces the number of conflicts within teams, and improves motivation and staff engagement. As of the end of 2018, more than 13,000 retail employees were working on the basis of flexible schedules, a more than twofold increase from 2017.

Number of employees with flexible work schedules



As of the end of 2018, the number of retail employees working on the basis of flexible schedules had more than

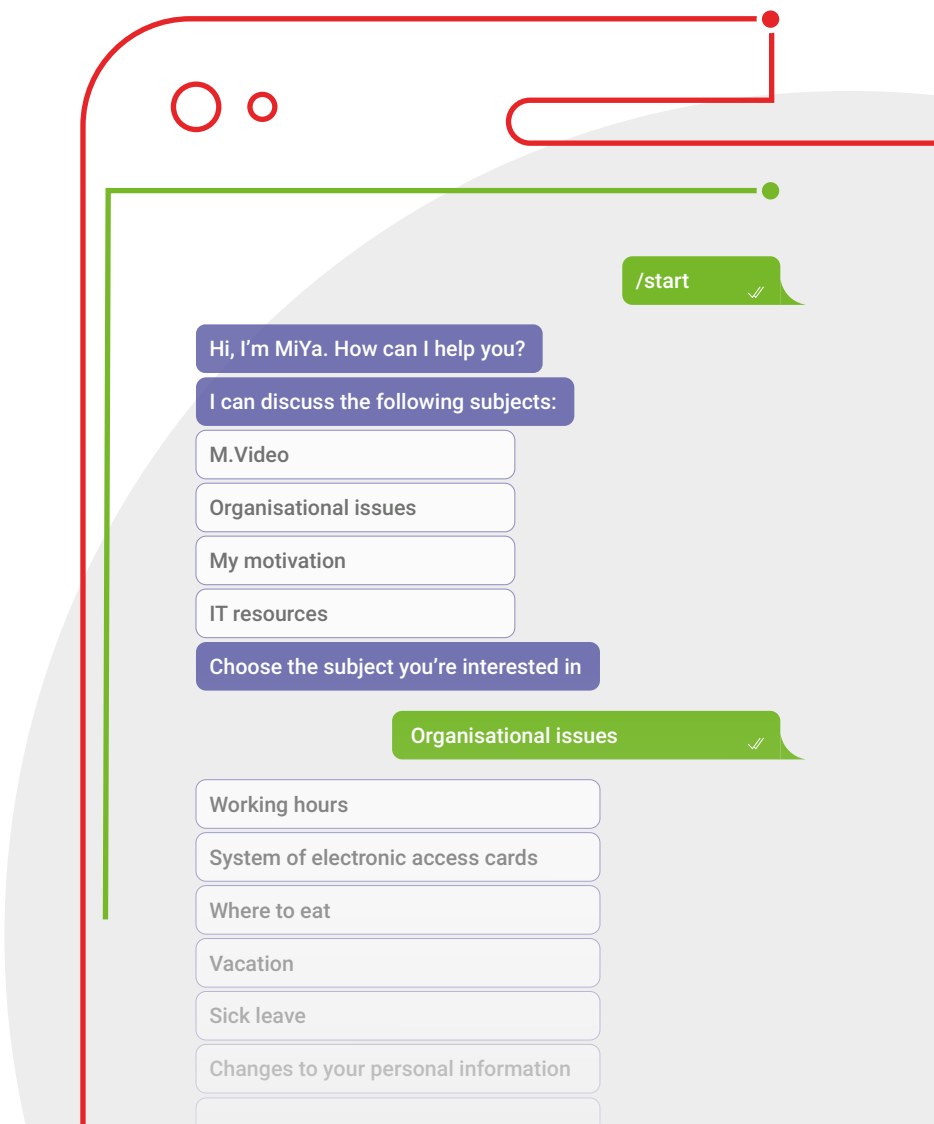
doubled

The MiYa electronic assistant for new employees

M.Video is developing its MiYa (short for 'M.Video and I') chatbot program, which helps new employees adapt to their workplace and their team more quickly and efficiently. Developed on the basis of the Dialogflow cloud platform, MiYa operates through Telegram and provides answers to new employees’ frequently asked questions about working conditions, resources available to staff, corporate traditions, the location of certain facilities, etc. HR employees can independently enter information into the chatbot, which speeds up the procedure of updating the information in the program.

The Group implements employee development programmes and projects such as the following:

- training programmes for retail personnel and the corporate headquarters;
- an effective distance learning system (webinars);
- the M.Video Faculty project;
- an individual career development plan for every employee.



Responsibility for employees

One of the Group’s key HR advantages is the development of its own staff. The Company provides all its employees with extensive opportunities for career management, training and development. There is a candidate pool for both the retail network and corporate headquarters. As a result of a specially developed employee development system, 86% of vacancies at M.Video retail are filled by internal candidates, while this figure is 81% at Eldorado. At corporate headquarters, 72% of vacancies are filled by internal candidates.

‘Career without Barriers’ project

In 2015, M.Video launched its ‘Career without Barriers’ programme, which was created to facilitate the transfer of the most enterprising and most interested employees from the Company’s stores to work at corporate headquarters.

The selection takes place in four stages. Retail employees:



The best candidates are added to the staff reserve. When a vacancy opens up at corporate headquarters, the Company first makes it available to internal candidates. Employees from any city can take part in the programme, and candidates from the pool should be ready to move to Moscow.

Vacancies filled by Group employees, %



Every M.Video–Eldorado Group employee has access to a programme to manage their personal benefits through the accumulation of bonus points called the ‘Benefits Cafeteria’. The programme enables employees to accumulate virtual points and exchange them for a wide range of goods and services. Prior to 2019, the programme existed only at M.Video; since 2019, Eldorado employees have also been granted access to the programme. The programme is aimed at encouraging excellent results and a commitment to corporate values.

Number of participants in the ‘Benefits Cafeteria’ programme

The Group understands the great importance of interaction with employees in social networks. In addition to marketing pages for customers, the Group supports corporate accounts in leading social media networks that are popular in Russia: VKontakte, Instagram and Facebook. Through social networks, the Group delivers important messages to staff and a wider audience, and it shares news and information about new opportunities. In addition, the Group uses its accounts to interact with potential employees – answering their questions and receiving feedback – interested in working for the Group.

Subscribers to HR accounts in social networks



Number of participants in the ‘Benefits Cafeteria’ programme

