

# CHAPTER 4

## Safe working environment

# Safe working environment

Material topics

Safe working environment

Human rights

Priority SDGs

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

UN Global Compact principles


No. 3-6: Labour

2021 highlights

Over 80,000 of Magnit employees completed training in a range of occupational health and safety programmes.

Over 400 of Magnit's local regulations on occupational health and safety updated in accordance with the revised labour laws of the Russian Federation.

Heads of units charged with more obligations and responsibilities related to occupational health and safety.

Progress towards our goals	
Strategic goal to 2025	2021 performance
<div></div> <div>50%</div> <div>Injury rate reduction with zero occupational fatalities</div>	<div>0.91</div> <div>Injury rate (per 1 000 Employees)</div> <div>A slight increase YoY (2020: 0.88), but we are making every effort to achieve lower rates in the future reporting periods in line with our strategic goal.</div>

Over 80,000 of Magnit employees completed training in a range of occupational health and safety programmes

Key documents

Magnit's policies and documents

Occupational and Process Safety Policy

Fire Safety Policy

Safe Vehicle Use Policy

Anti-Alcohol and Anti-Drug Policy

Regulation on Occupational Health and Safety Management System

Regulation on Employee Training

Regulation on Medical Examinations

Regulation on Special Assessment of Working Conditions

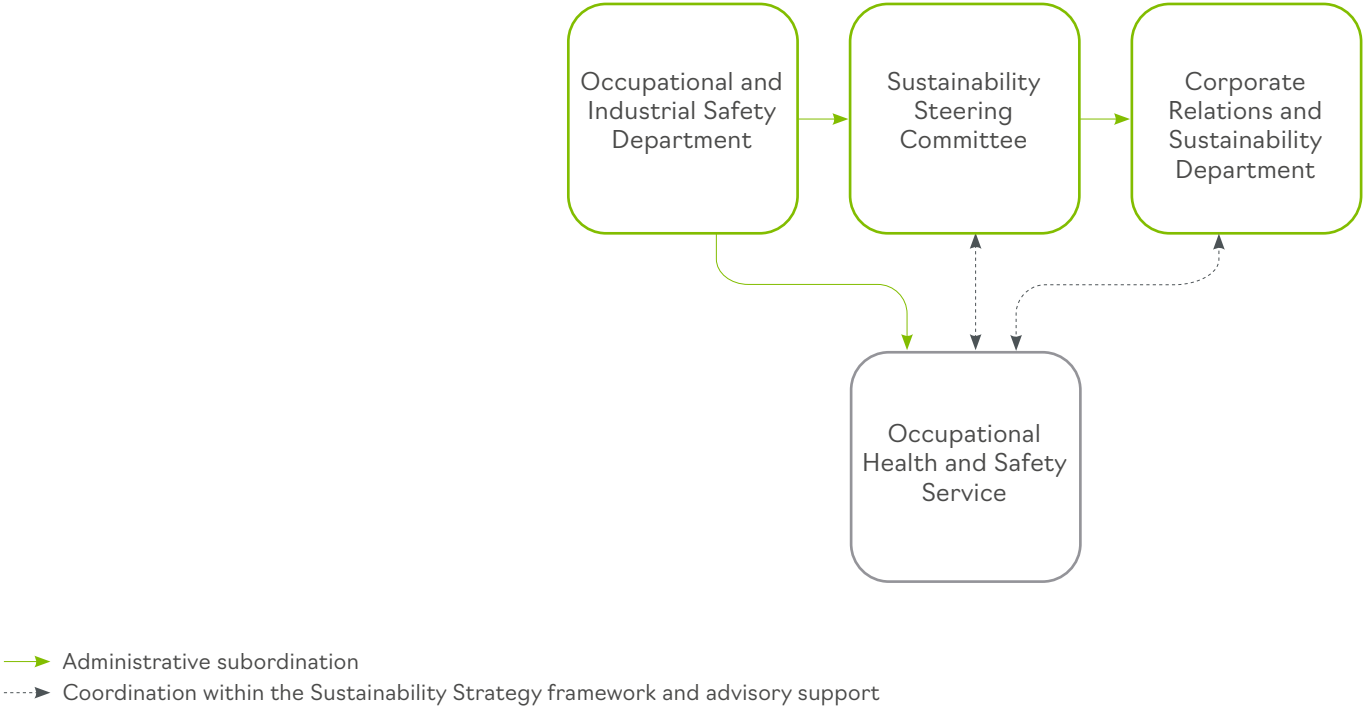
Regulation on Accident Investigation

External documents

Russian Labour Code

Resolution of the Russian Ministry of Labour and Social Development No. 73 on Approval of Document Forms Required for Investigating and Recording Occupational Accidents, and Special Provisions on Investigating Occupational Accidents in Selected Industries and Organisations dated 24 October 2002

## Governance structure



# Our approach to management

GRI 403-1, 403-8

Lying at the heart of Magnit's policy, the Occupational Health and Safety Management System serves as a tool of fostering a safety culture meant to raise employee awareness on relevant matters and support a safe working environment in the Company. In 2020, we rolled out an extensive campaign to instill a strong safety culture in the logistics unit, the one exposed to numerous risks of greater severity, and continue our efforts to spread it across all our operations.

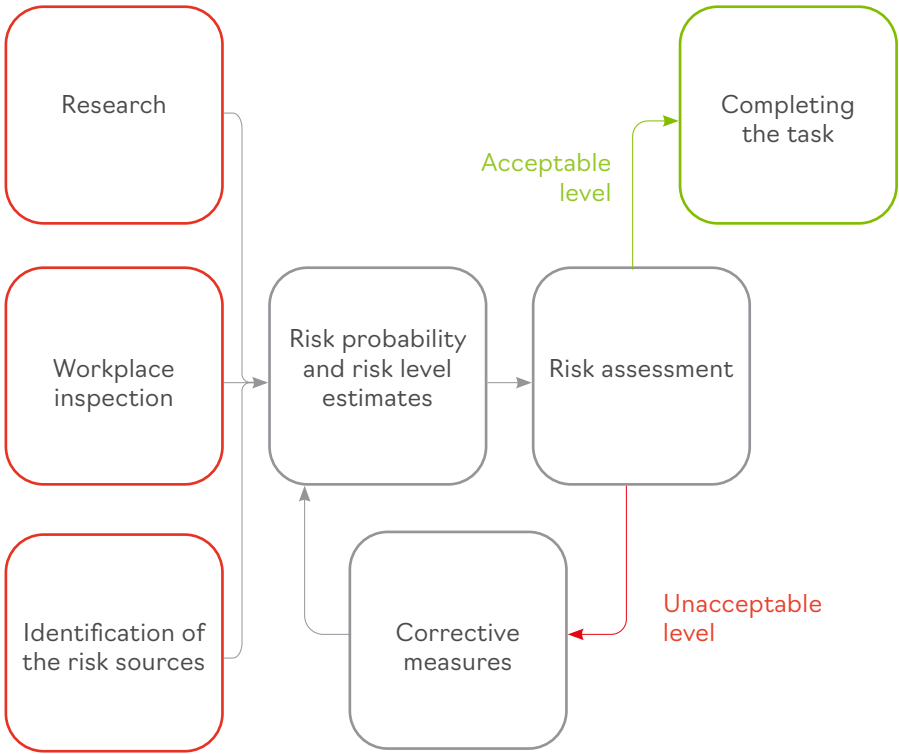
Magnit complies with Russian labour safety law and is guided by its own internal standards and instructions. Safety management responsibilities are allocated to all heads of business

units and specifically appointed officers. The Occupational Health and Safety Management System relies on a centralised approach, with goals and tasks cascaded from the CEO across the hierarchy down to line managers. The Company's executives are prompted to adopt a systematic approach in developing and following safe work practices.

The Occupational Health and Safety Management System covers all the Company's units, with all their employees and contractors. Among the System's aims is boosting expertise and competence levels of occupational health and safety engineers.

Magnit regularly reviews its management system, with units assessed for compliance with occupational health and safety requirements monthly (logistics), quarterly (larger formats) and once in every three years (smaller formats). The Company has a system of communicating occupational health and safety requirements to heads of units and store managers. The performance of associated duties is monitored remotely on a selective basis. In February 2020, we had a comprehensive assessment of our Occupational Health and Safety Management System carried out by an external auditor.

## Magnit's risk assessment system



## Risk assessment

GRI 403-2, 403-7

To mitigate risks, the Company delves into the causes of incidents and occupational health and safety violations identified in the monitoring process. Based on the analysis results, corrective measures are developed and implemented. To make sure that occupational health and safety requirements are complied with and employees understand their responsibilities and safe work principles, the Company runs annual comprehensive checks.

The Company's Safety Policy highlights the importance of immediate action to eliminate occupational threats or other circumstances damaging to employees' life and health.

### Hazard factors by areas of operation and Magnit's responsibility

Retail facilities	Warehouse logistics	Transport logistics	Own production
<ul style="list-style-type: none"><li>Conflicts and disputes with customers</li><li>Falling from height while moving around the territory or laying out merchandise</li><li>Health problems as a result of the pandemic</li></ul>	<ul style="list-style-type: none"><li>Industrial vehicle accidents, accidents related to handling equipment</li><li>Falling items</li><li>Falling from height while moving around the territory</li><li>Health problems as a result of the pandemic</li></ul>	<ul style="list-style-type: none"><li>Road hazards, unsafe driving by road users</li><li>Falling from height while moving around the territory or falling as a result of a car accident</li><li>Health problems as a result of the pandemic</li></ul>	<ul style="list-style-type: none"><li>Handling hazardous substances, unsafe employee behaviour</li></ul>

### Accident prevention measures

<ul style="list-style-type: none"><li>Special training for floor staff on safe behaviour in conflict situations</li><li>Drawing employees' attention to safe movement around the territory and handling of goods</li><li>Medical examination of employees for early detection of illnesses and contraindications</li></ul>	<ul style="list-style-type: none"><li>Continuous assessment of working conditions, identification and elimination of hazards</li><li>Special training on handling equipment</li><li>Safe behaviour training</li><li>Medical examination of employees for early detection of illnesses and contraindications</li></ul>	<ul style="list-style-type: none"><li>Regular vehicle check-ups</li><li>Theoretical and practical training sessions on safe driving for driver staff</li><li>Medical examination of employees for early detection of illnesses and contraindications</li></ul>	<ul style="list-style-type: none"><li>Dedicated briefings on handling hazardous substances</li></ul>
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These situations often arise from the behaviour of third parties, but nevertheless we take every effort to prevent all accidents

Introduction of pandemic-related restrictions hindered our ability to provide in-person training, which may affect the uptake of information by our employees, especially when it comes to driving safety classes

# Our approach to management

(continued)

## Injury rates

GRI 403-2, GRI 403-3, 403-9

Magnit has developed and successfully integrated an automated platform for accumulation and consolidation of data on injuries in visual statistics. All relevant information is displayed in chronological order.

Primary facts related to accidents are made available to occupational health and safety engineers across production units. The system data is thoroughly analysed to arrange for corrective procedures and design campaign materials on employee responsibilities by position, as well as causes and risks of safety failures.

In 2021, Magnit recorded a total of three fatal injuries and 252 lost time injuries. Causes of fatality:

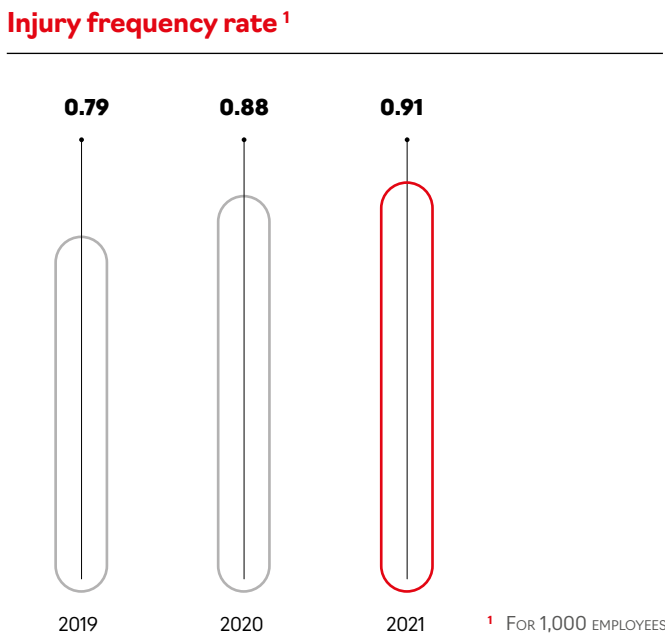
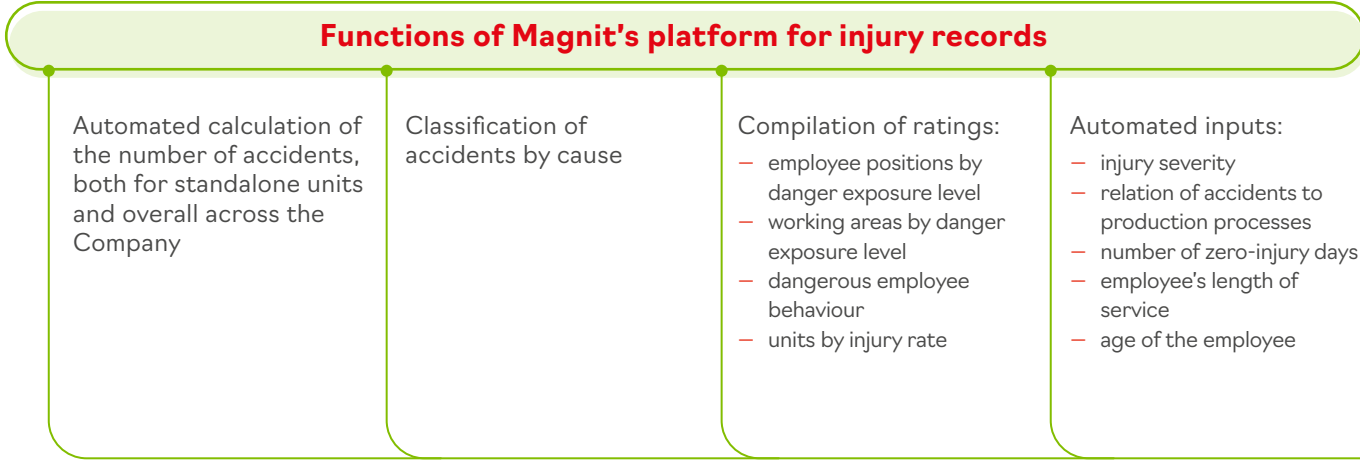
- 1. Failure to comply with safety requirements on the part of the employee while doing work not related to the Company's processes
- 2. Road traffic accident caused by a third-party driver
- 3. Feeling unwell while driving

We investigate all accidents connected to our employees and other people engaged in the Company's operations, following strict procedures and applicable Russian labour laws, as well as Magnit's internal regulations.

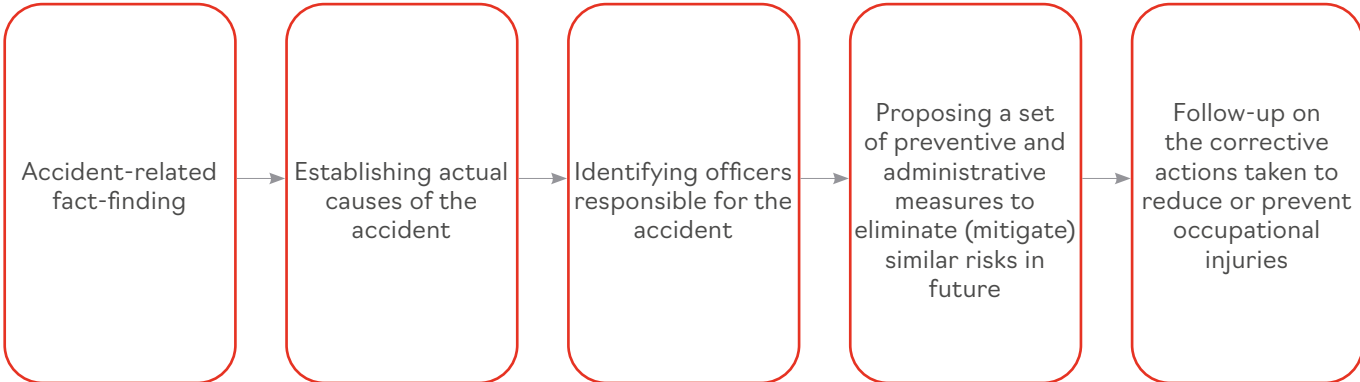
In order to accomplish these goals, each accident is investigated by a designated commission tasked with obtaining the necessary information and documents required to identify causes of occupational injuries and those guilty of safety violations resulting in personal injuries. In addition, in the course of each investigation, a set of preventive measures is designed to advance occupational health and safety, as well as to improve working conditions.

### First aid at Magnit's sites

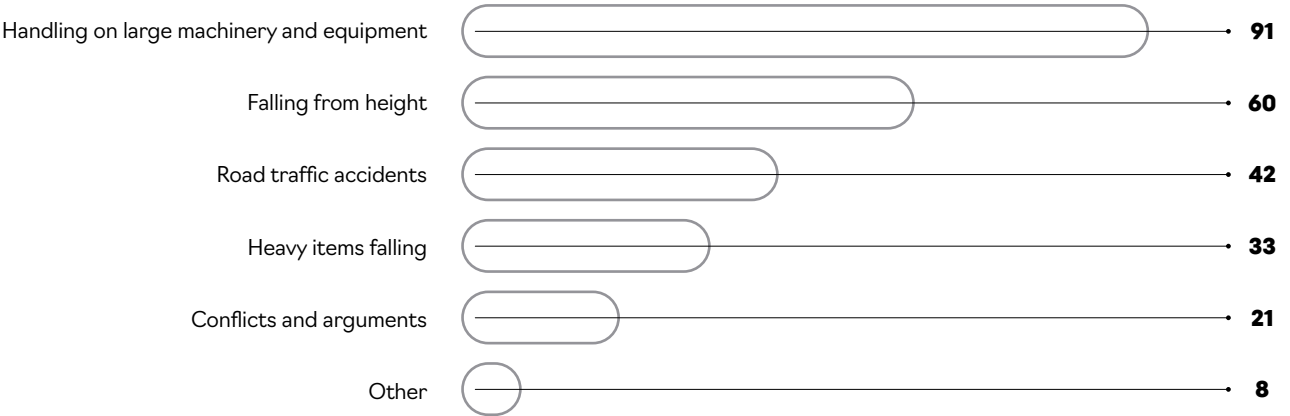
All of Magnit's stores are equipped with first aid kits. Major logistics centres have medical offices equipped for, among others, employees of distribution centres.



## Investigation goals



## Injuries by type, total





# Our approach to management

(continued)

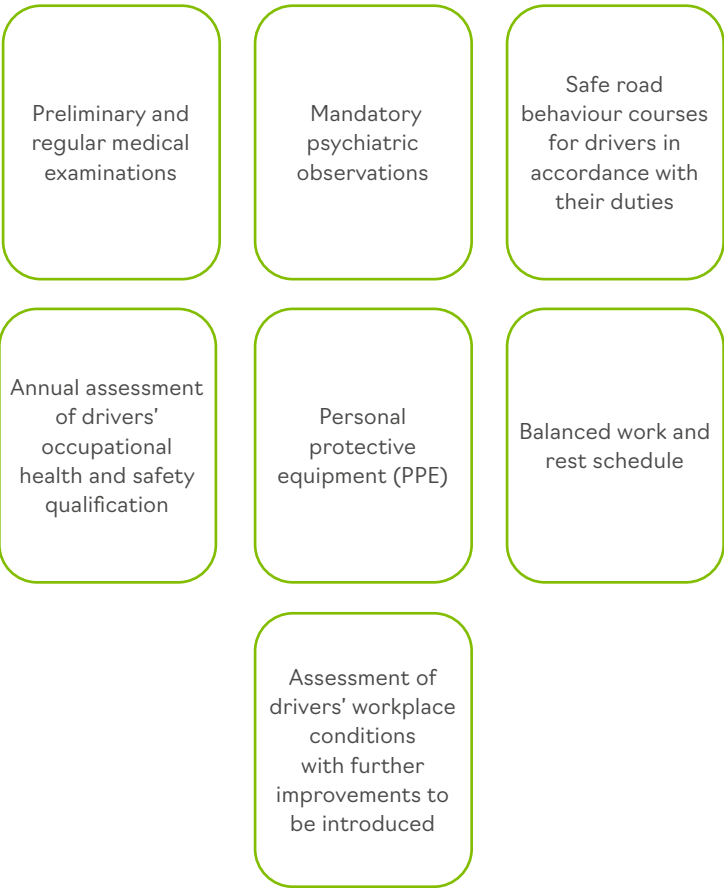
## Safe driving culture

The Company is one of the largest fleet owners in the industry, and we fully recognise our responsibility for ensuring zero road traffic accidents and actively promote the culture of safety among our drivers.

2021 saw an increased number of road traffic accidents caused by Magnit employees, which may be attributed to:

- Lack of training as a result of COVID-19 restrictions imposed by the government for in-person activities. With online courses arranged regularly, insufficient practice in safe driving may still result in a greater risk of road traffic accidents.
- Growing demand for driver personnel. Our logistics unit regularly hires new employees who need additional training in safe driving. In 2021, we developed a concept of extra training for newly recruited drivers expected to bring about a gradual decline in accident rates.

### Our tools



### Number of road traffic accidents



# Training and communication

GRI 403-4, 403-5

We are fully aware of our role in pushing forward the safety culture, as well as in ensuring strict compliance with occupational health and safety requirements, and thus we have a special OHS training system for all employee categories in place.

Those in charge of safety management are trained and have their knowledge checked at the dedicated department of Magnit's Corporate Academy, and then train their subordinates.

All of Magnit's blue-collar employees undergo occupational health and safety training annually, while white collars do the same once in every three years. In 2021, over 80,000 of the Company's employees completed a number of occupational health and safety programmes. The training is free of charge and takes place during work hours. Upon completion of a course, employees are assessed, with an occupational health and safety certificate awarded as a result.

In order to increase employee engagement in safety matters and foster a safety culture, Magnit has set up specialised safety committees. In the logistics unit, safety committees including OHS service employees, seniors and their subordinates convene once a month. Retail units and distribution centres also have committees with managers on them that can handle any matters related to safe working conditions.

We strive to foster a safety culture using a variety of communication tools, including memos, information boards on occupational health and safety, as well as the corporate portal.



In Magnit's stores, one can also make an online submission regarding potential safety threats. It will be automatically forwarded to assigned OHS service employees for further investigation.

### Magnit's six safety rules

- 1 I am always responsible for my safety and the safety of my colleagues
- 2 I always hold colleagues back in dangerous situations
- 3 I always keep my workplace clean and tidy
- 4 I always use individual protection gear
- 5 I always follow traffic rules while driving
- 6 I always report accidents and risks that may lead to accidents

## Training and communication (continued)

### Integrating DIXY: approach to ensuring a safe working environment



#### Gathering injury data

For gathering and consolidating injury data, special report forms are filled out. OHS specialists submit injury reports to heads of relevant departments on a weekly basis, including:

- weekly injury statistics, both for standalone divisions and overall across the company
- injury classification by severity and relation to production processes, with an investigation timeline specified and relevant materials handed over to state regulatory and supervisory authorities

In the reporting year, 64 injuries were registered, none of them fatal or related to road traffic accidents caused by DIXY's employees. Most injuries were suffered in the process of loading or unloading and as a result of violations committed by third parties. With each case thoroughly investigated, a set of measures is designed to eliminate (mitigate) risks of similar accidents in future.

#### Training

OHS specialists are tasked with keeping monthly lists of employees required to undergo training with regard of the data on those already trained and those still in need of better competencies. In 2021, over 16,000 of DIXY's employees completed safety training.

#### Approach to management

DIXY has developed and integrated an Occupational Health and Safety Management System as part of its own executive framework. The System sets out the requirements for handling occupational health and safety matters in terms of development, practice, assessment and improvement. The System is effective across the whole geography of DIXY, in each and every building and location, and also applies to all employees of DIXY's standalone business units.

## Anti-COVID-19 measures



In 2021, the Company took all COVID-related precautions and followed public health advice in line with federal and regional laws of the Russian Federation regarding glove and mask wearing, as well as QR codes scanning.

We kept our employees informed of the recommendations by the Chief State Sanitary Inspector of Russia, regional Chief Sanitary Inspectors and the consumer safety regulator (Rospotrebnadzor), with additional awareness webinars arranged, as well as a visiting vaccination team.

#### COVID-19 vaccination

We advocate for vaccination as a necessary means of protecting the health of our colleagues and customers, and so we issue corporate bulletins and monitor vaccination rates among employees on a weekly basis. As at the end of 2021, over 75% of Magnit employees were vaccinated, which exceeds the overall vaccination rate across Russia (41.5%).

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of Magnit employees were  
vaccinated, as at the end of 2021