

Occupational health and safety management

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One of the priorities of Magnit's production activity is to preserve occupational health and safety of its employees.

The Company is improving tools and processes to raise the level of occupational safety, safety culture and to reduce the number of occupational health and safety accidents.



Material Topics

Safe workplace

Contribution to the UN SDGs



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

Goals

- Preservation of the population, health and well-being of people
- Decent, efficient work and successful entrepreneurship

Projects

- Demography
- Healthcare

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 asset of a company and contribute to the development of human potential. We treat human life as the highest value. We do not believe in any compromise between the occupational health, safety of the employee and the receipt of profits.

Management approach

GRI 3-3, 403-1, 403-3, 403-7, 403-8

The occupational health and safety management system covers all Magnit employees and contractors/subcontractors. Local regulations, orders of the CEO and job descriptions determine the responsibility and functions of employees at various management levels.

External documents

- Labour Code of the Russian Federation
- GOST R ISO 45001-2020 Occupational Health and Safety Management Systems
- Federal Law No. 116-FZ On Industrial Safety of Hazardous Production Facilities dated 21 July 1997

Internal documents

- Occupational Health and Safety Policy
- Industrial Safety Policy
- Fire Safety Policy
- Safe Vehicle Use Policy
- Anti-alcohol/Anti-drug Policy
- Regulations on Occupational Health and Safety Management System **updated in 2023**
- Regulations on Industrial Safety Management System
- Regulations on Employee Training **updated in 2023**
- Regulations on Organisation and Accounting of Medical **updated in 2023**
- Methodology for Assessing Risks at Work **updated in 2023**
- Regulations on Accident Investigation **updated in 2023**
- Regulations on Special Assessment of Working – update is scheduled for 2024

2023 results

RUB 1,061 million

OHS costs

12%

reduction in the total number of lost time injuries YoY¹

0.41

LTIFR²

0.51 in 2022

0.45

TRIFR³

0.71 in 2022

Magnit strategic goals 2025



Goal

50% reduction in the lost time injuries and zero fatalities by 2025



Result

LTIFR decreased by 20%, TRIFR by 37%, FAR by 74% compared to 2022

The injury frequency rate⁴ is 0.95

¹ Among employees. The discrepancy in quantitative data in relation to Sustainability Report 2022 is due to the completion and reclassification of a number of accidents related and not related to work, identification of hidden accidents, and also a change in the calculation method (the current Report shows only work-related cases).

² Lost time injury frequency rate among employees. Calculated per 1 million hours worked. Only lost time injuries are taken into account.

³ Total recordable injury frequency rate among employees. Calculated per 1 million hours worked. All cases of medical care, including micro-injuries without loss of time (i.e. excluding micro-injuries without loss of time requiring first aid only), are taken into account: 317 in 2023, 462 in 2022, 324 in 2021.

⁴ Per 1 thous. employees.

Occupational health and safety management at the Company is performed centrally with cascading of goals and tasks from senior management to heads of structural units and line managers.

Employees of the Technical and Industrial Safety Department coordinate all OHS management system processes and provide methodological support, information and advice to senior management of the Company, heads of structural units, line managers and employees, including through the Corporate Documentation Portal, Magnum system, email and information boards.

Occupational health and safety management structure



→ Administrative subordination
 ⇄ Coordination in implementing the Sustainability Strategy, advisory support

As part of the three-stage control, we perform a regular internal assessment of the occupational health and safety management system at the Company's facilities. Such monitoring is performed by OHS specialists, regional managers and representatives of the Technical and Industrial Safety Department. Monitoring is performed in all business units of the Company based on the risk-oriented approach. In 2023, we increased the number of OHS specialists in distribution centres where the employees are most exposed to the risk of injury. It helped us increase the effectiveness of preventive measures and perform regular monitoring directly at the facilities.

The Company performs video monitoring of compliance with OHS requirements. In case of violations, unscheduled training and knowledge testing are held both for the persons in fault and their managers.

The Company conducts comprehensive audits with the participation of department directors and heads of occupational health and safety services. At each subsequent control stage the implementation of the previous monitoring stages is verified. After each audit a plan of comprehensive measures to eliminate the identified inconsistencies is prepared. The main inconsistencies identified during comprehensive audits in 2023 are related to keeping OHS documentation and the issue of the relevant industrial safety permits. To prevent such inconsistencies we inform employees on a quarterly basis about the document management rules; we developed special memoranda and updated the training programme for responsible persons.

Magnit assesses production safety efficiency based on the results of implementing measures to prevent occupational injuries. Measures are developed based on a risk-focused approach with due account of existing risk maps, statistics and accident investigation results. If the measures have failed to provide the expected reduction in the injury rate, we perform repeated analytics, identify the causes and update our target measures.

We developed a rating to compare the performance of managers against various safety indicators. For example, distribution centres and transport units conduct assessment and prepare ranking of directors based on technical and industrial safety indicators taking into account the information received from the OHS, fire, environmental and industrial safety services.

Contractor safety management

Contractors are integral participants of Magnit operating processes, therefore we include mandatory clauses on compliance with OHS requirements in contracting agreements. In future, we plan to consolidate information on contractors' safety obligations in a separate appendix to the contracting agreement.

Before the contractors are admitted to work, we inform them of the risks to life and health during mandatory briefings and prepare administrative documents stipulated by the work process.

We monitor the occupational health and safety of contractors' employees at work and suspend work if violations of safety requirements are identified until they are eliminated.

Risk management

GRI 403-2, 403-7

Magnit performs an ongoing process of assessing and adjusting professional risks. The Methodology for Assessing Risks at Work is at the core of the process. As part of the assessment, we analyse risk occurrences over the past three years and prioritise mitigation measures. To assess professional risks Magnit creates working groups with the participation of managers, employees and specialists of the Technical and Industrial Safety Department, who assess risks by type of work taking into account the results of special assessment of working conditions and analysis of occupational injuries.

The most severe risks to the life and health of employees arise during high-risk work that involves about 1,500 of our employees. The list of such operations is determined by the Company's departments based on the requirements of national legislation. It is important to note that the risk management measures taken helped prevent cases of health deterioration when performing such work during 2023.

The main risks at all facilities are the risks of employees falling and being injured by a moving transport trolley or thermal box. Employees of the Company's retail sites, distribution centres and transport logistics facilities are most exposed to the risk of injury. Special attention is paid to the risk of conflict situations at retail sites, to the risk of industrial vehicle collisions and road accident injuries – at distribution centres, and to the risk of falling or collapsing goods/items and road accident injuries – at transport logistics facilities.



In determining risk management measures, Magnit is guided by the generally accepted structure of control measures, where the elimination and replacement of hazards are the most effective measures, while the use of personal protective equipment is the least effective measures.

RUB 1,061 million
 total expenses for OHS measures in 2023



Occupational Health and Safety Policy defines the principle of prioritising the life and health of employees over the operational performance. Each employee must immediately stop work where there is a risk of harm to life and health, notify his/her supervisor and not resume work until the danger is eliminated. In his/her turn the supervisor organises the elimination of the hazard. At the same time, work technology is adjusted by supervisors and persons doing the work to ensure safe performance of work in the future. Requests for elimination of operational hazards or equipment breakdowns are submitted through the Help internal corporate system.

Training and communication

GRI 403-2, 403-4, 403-5, 403-7

As we strive to build a strong safety culture among our employees, Magnit has developed a system to train and inform personnel about occupational health and safety requirements. We provide both mandatory and additional training in occupational health, industrial, fire and electrical safety.

In 2023, the process of mandatory OHS training was updated in line with changes in national legislation. Compared to previous periods, each employee now undergo training on several programmes:

- general occupational health and safety issues;
- safe work methods and techniques in case of exposure to harmful and hazardous production factors and danger;
- hazardous work (about 25 specialised sub-programmes);
- use of personal protective equipment;
- first aid to the injured.

Information on OHS training and knowledge testing is uploaded into the Federal State Information System of the Ministry of Labour and Social Protection of the Russian Federation.

Training is conducted on a face-to-face basis and remotely both at an external training centre and the Company's structural divisions.

In 2023, Magnit focused on transitioning from a combined training (external and internal) in mandatory occupational health and safety requirements to training at external centres only. This process was launched in H2 2023 at the same time as the creation of the Training Organisation Service. During this period, about 40,000 employees received training in occupational health and safety at external training centres.

We conduct annual special assessments of working conditions. Work places with hazardous working conditions (class 3.1¹) account for less than 1% of the total number of work places and relate to working in cold spaces (freezers) in the distribution centres. At the same time, the introduction of preventive measures does not reduce the level of hazard due to the specifics of technical processes.

Taking care about the safety of remote and hybrid work of employees, the Company developed and launched a special occupational health and safety course covering the specifics of safety compliance for remote work.

Automated tools of standard office programmes, an annual training schedule and a training matrix defining the categories of employees and the types of training they need to undergo are used to track training needs and monitor the timeliness of training. External training is supervised by the Corporate Academy, while internal training is controlled by the Technical and Industrial Safety Department.

The Company has an internal system of additional training programmes for personnel. The OHS Service has trainers who conduct various trainings both for the employees of the service to improve their competencies and for managers to involve them in OHS issues.

In 2023, we held additional webinars with our employees as part of changes in OHS legislative requirements.

Raising interest in training

Visualisation of occupational health and safety training programmes and the introduction of interactive mechanics increase staff engagement and make training materials simpler and easier to understand.

We convert various programmes and instructions into video simulator format, comics and memos. For example, in 2023, we developed and launched a video simulator for retail facilities on the main causes of employee injuries and converted 15 health and safety instructions into comic books.

The video simulator includes an interactive course with game mechanics where the correctness of the employee's answers determines the next steps of the course. All cases are based on real events and accidents.



To increase employee engagement in occupational health and safety issues we have established and hold regular meetings of the Occupational Health and Safety Committee that includes both managers and average executive. Obligatory participants of the Committee meetings are employees whose action or failure to act resulted in a breach of legal requirements, local regulations in the field of occupational health and fire safety, as well as the employee's immediate supervisor. The Committee is headed by the Director of the Technical and Industrial Safety Department. Committee meetings are held monthly in distribution centres and transport unit, and from time to time – in retail units. Any employee can apply for participation by email. Colleagues share experiences, cases and activities, discuss important issues and jointly find solutions.

Employees can report identified risks, hazards, injuries through the following channels:

- email;
- telephone;
- messengers;
- hotline.

Each driver has a pad to report a problem or receive a reply even while on a trip.

Since 2015, Magnit has had a Control Centre which works together with the Company's departments and services to ensure stable, safe operation of employees and shops. The Centre is responsible for five main areas of activity:

- support of operational processes;
- operational management of all emergency situations of the Company;
- monitoring and management of systems;
- dealing with civil defence and emergency situations;
- the Company's risks including those related to COVID-19.

For more details on the Control Centre, see [Emergency response](#).

¹ Pursuant to Federal Law of the Russian Federation No. 426 On Special Assessment of Working Conditions dated 28 December 2013.

Safety culture

GRI 403-4

We recognise the correlation between the level of safety culture and injury rates: the higher the safety culture, the fewer the preconditions for safety accidents, including human factors-related injuries.

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 personal protective equipment
- 5 I always follow traffic rules while driving
- 6 I always report accidents and risks that may lead to accidents

Magnit conducts comprehensive awareness raising events for employees at all levels. We distribute newsletters, memos, instructions, and hold meetings with employees. Email is the main communication channel. Employees who do not have access to email receive information from their managers. We also display useful information on monitors and information boards located in public areas.

Safe driving culture

As one of the largest fleet owners in the industry, Magnit acknowledges its responsibility for ensuring road safety and takes consistent steps to foster safety culture among drivers.

Number of road traffic accidents¹

Number of road traffic accidents	2021	2022	2023
Caused by employees	1,002	1,262	1,629
Caused by third parties	917	882	1,070

¹ The discrepancy in quantitative data in relation to the Sustainability Report 2022 is due to the completion of the investigation and the identification of hidden road traffic accidents.

Magnit publishes a monthly Safety Digest to improve the safety culture of its employees. In each issue, we publish relevant articles and interviews in a clear and easy to understand form, covering different areas of occupational health and safety and highlighting organisational processes, challenges and solutions.

We hold roundtables with employees in OHS dedicated months. In 2023, we launched a competition for the best and most effective completion of induction training in the Magnum system. Magnit induction training is held in a video format with various cases and a test to check knowledge.

At the end of 2023, we implemented an audio broadcast project to inform employees during service breaks. The project allows employees to listen to various OHS notifications without suspending their work processes.

The main causes of road traffic accidents in 2023:

- insufficient qualifications of newly hired drivers;
- low coverage of drivers with preventive work;
- insufficient amount of specialised training on road traffic safety;
- overestimation of own skills and capabilities by drivers.

In 2023, as part of additional driver training we introduced a mandatory defensive driving course to prevent road accidents. Employees undergo the defensive driving course during their internship when hired and annually thereafter.

Injury prevention

GRI 403-2, 403-9

We strive to reduce injury rates, assess risks and endeavour to prevent injuries, accidents. We investigate all cases of injuries and accidents, identify their causes and determine corrective measures. Magnit investigates all injuries in accordance with the Regulations on Accident Investigation that are based on the requirements of national legislation and specifics of the Company's internal processes.

To collect, process and analyse injury data, Magnit developed and implemented an automated information platform for visualisation of the injury rate.

In addition to recording lost time injuries, since 2022 we have kept records of micro-injuries, analysed the causes and implemented preventive measures to avoid their recurrence, but with loss of time.

Contractors' injuries are recorded partially, in case of a notification from the contractor or the Control Centre, and are not accounted for the injury rate calculation purposes.

In 2023, Magnit recorded 293 lost time injuries including two fatalities.

The most high-consequence injuries resulted from:

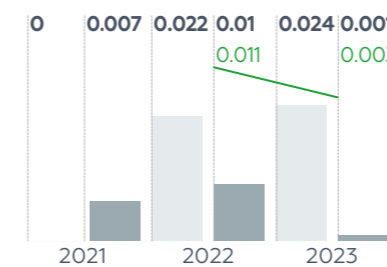
- road traffic accidents caused by a third-party driver;
- bodily harm by third parties in a conflict situation;
- deterioration of health resulting in head injury.

In order to prevent similar situations in the future, we carried out additional preventive measures on road safety, developed memos and videos on the use of the alarm button to call the security, prepared memos and held unscheduled briefings on immediate assistance in case of deterioration of health, including those to prevent falls and high-consequence injuries.

Dynamics of metrics¹

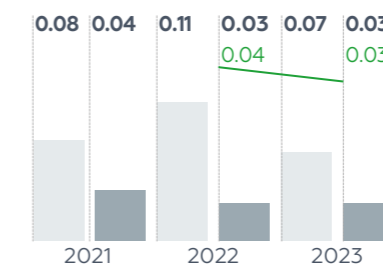
FAR

GRI 403-9



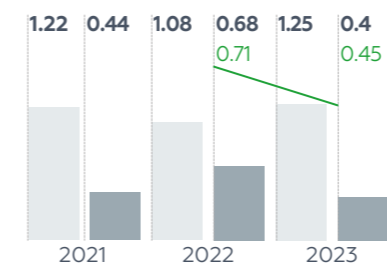
High-consequence work-related injuries (excluding fatalities) rate

GRI 403-9

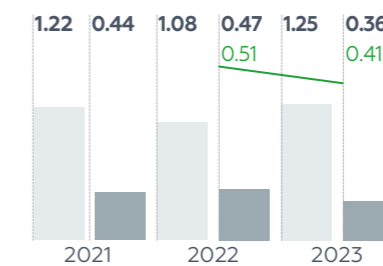


TRIFR

GRI 403-9



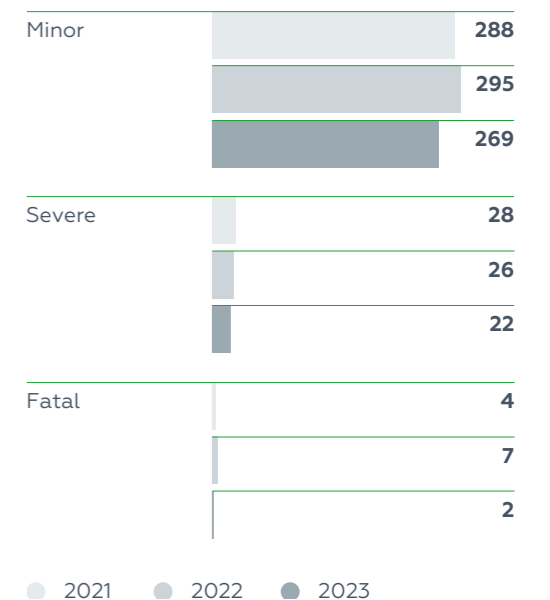
LTIFR



Legend: DIXY retail chain (light grey), Magnit retail chain (dark grey), Group (green line)

Number of work-related lost time injuries across the Company

GRI 403-9



¹ DIXY merged into the Company in mid-2021. The data are broken down to ensure traceability; additionally, due to the completion of the consolidation of DIXY, consolidated data for 2022–2023 is presented. The discrepancy in quantitative data in relation to Sustainability Report 2022 is due to the completion and reclassification of a number of accidents related and not related to work, identification of hidden accidents, and also a change in the calculation method (the current Report shows only work-related cases).



The implementation of preventive measures (for example, update of induction training, development of additional memos, news sheet and unscheduled briefings) contributed to the positive trends in injury rates.

In 2023, the injury frequency rate (TRIFR) is 0.45, the lost time injury frequency rate (LTIFR) is 0.41, the fatal accident rate (FAR) is 0.003, and the heavy injury rate is 0.03.

Number of employees injured and died in work-related lost time injuries, by gender¹, persons

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Number of injured	164	160	179	155	136	157
including fatalities	4	0	6	1	1	1

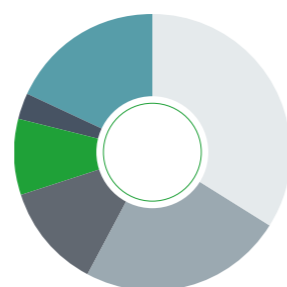
Men Women

Main causes of high-consequence injuries and fatalities:

- road traffic accidents;
- infliction of bodily injury by third persons;
- deterioration of health resulting in additional injuries;
- fall due to difference in height;
- fall of a transport trolley or goods from it on an employee.

Main causes of injuries in 2023, %

GRI 403-9



- 34 Injuries resulting from work with large machinery and equipment
- 24 Employee fall
- 12 Fall of heavy items
- 9 Conflict situations and disputes
- 3 Road traffic injuries
- 18 Other

Health protection

GRI 403-3, 403-6, 403-10

Magnit takes care of the health and well-being of its employees. We monitor the dynamics of employee occupational health and conduct mandatory preliminary and regular medical examinations. At least once in five years the employees with hazardous working conditions undergo medical check-up in the Centre of Occupational Pathology to detect symptoms of occupational diseases at early stages. In addition, drivers of transport unit have pre-trip and post-trip medical check-up.

We provide employees with the opportunity to undergo health resort treatment. For example, in 2023, as part of cooperation with the Social Fund of the Russian Federation, more than 200 employees of pre-retirement age had access to health resort treatment.

Magnit's current operations are not characterised by occupational diseases.

At the same time, the Company implements programmes to promote physical and mental health and well-being, and provides voluntary medical insurance for employees.

For more details on measures to maintain and promote health see [Personnel management](#).

Emergency response

GRI 403-2

The Company's Control Centre solves various tasks related to forecasting and preventing emergency and abnormal situations, minimising material and reputational risks of the Company. Dispatchers working in shifts 24/7 record and process incoming information received via hotline, email, self-service portal, chat rooms and messengers.

Response process is governed by the Regulations on Critical Accidents, Critical Risks and Emergencies. A specific action algorithm has been developed for each critical emergency situation. The implementation of a specific action plan for each individual emergency is based on the collection, classification and analysis of information received both from the Company's employees and external sources.

Algorithms have been developed for each format of Magnit's facilities specifying the procedure to be followed in an emergency situation.

The Control Centre follows and supervises the implementation of measures to eliminate emergency situations, analyses the causes, and organises the development of applied measures to prevent their recurrence.

Critical Accidents include, among others, fires. To prevent fire, each Magnit facility implements and monitors fire safety measures. Fire safety management in the Company is governed by the Fire Safety Policy approved by the order of the President of PJSC Magnit. Prevention of violations of fire safety requirements and fires is organised and carried out on an ongoing basis. Each case of fire is promptly investigated, followed by the development and implementation of measures to prevent similar situations. The Company's compliance with fire safety requirements is achieved through the availability and maintenance of fire protection systems and equipment at the Company's facilities, as well as through the timely elimination of fire safety violations identified during internal and external control.

The Company operates hazardous production facilities, such as gas consuming networks (boiler houses and power centres) and lifting facilities used for lifting people to heights exceeding 6 m (scissor lifts) where accidents have significant negative consequences for both employees and equipment. To minimise the risk of accidents at the Company's hazardous production facilities Magnit has developed Emergency Localisation and Response Action Plans. Investigation and accounting of accidents at hazardous production facilities are performed in accordance with the procedure established by the legislation of the Russian Federation.

In 2023, the Company organised and implemented briefings and training of the Company's employees on civil defence and emergency situations based on the Magnum system.

To prevent negative accidents and improve the level of personnel readiness Magnit conducts an industrial safety expertise¹ of structures and technical equipments at hazardous production facilities, enters into agreements with professional emergency rescue services, creates reserves of financial and material resources for localisation and elimination of the consequences of accidents, maintains the operability of surveillance, notification, communication and actions support systems, as well as conducts training for the personnel of hazardous production facilities.

Plans for 2024 and the medium term

In 2024, the Company plans to:

- automate the processes and document management to centralise all OHS procedures, improve the efficiency of process analytics and data handling;
- update the Regulations on Special Assessment of Working Conditions;
- update the OHS content on the Magnum educational platform.

¹ The discrepancy in quantitative data in relation to Sustainability Report 2022 is due to the completion and reclassification of a number of accidents related and not related to production, identification of hidden accidents, and also a change in the calculation method (the current Report shows only work-related cases).

¹ In accordance with the Federal Law of the Russian Federation No. 116 On Industrial Safety of Hazardous Production Facilities dated 21 July 1997.