

Occupational health and safety

OHS Strategy

X5's Health and Safety Strategy is aimed at:

- Ensuring the health and safety of our employees
- Reducing the injury rate and eliminating the risk of accidents and emergencies
- Preventing occupational diseases

OHS policy highlights

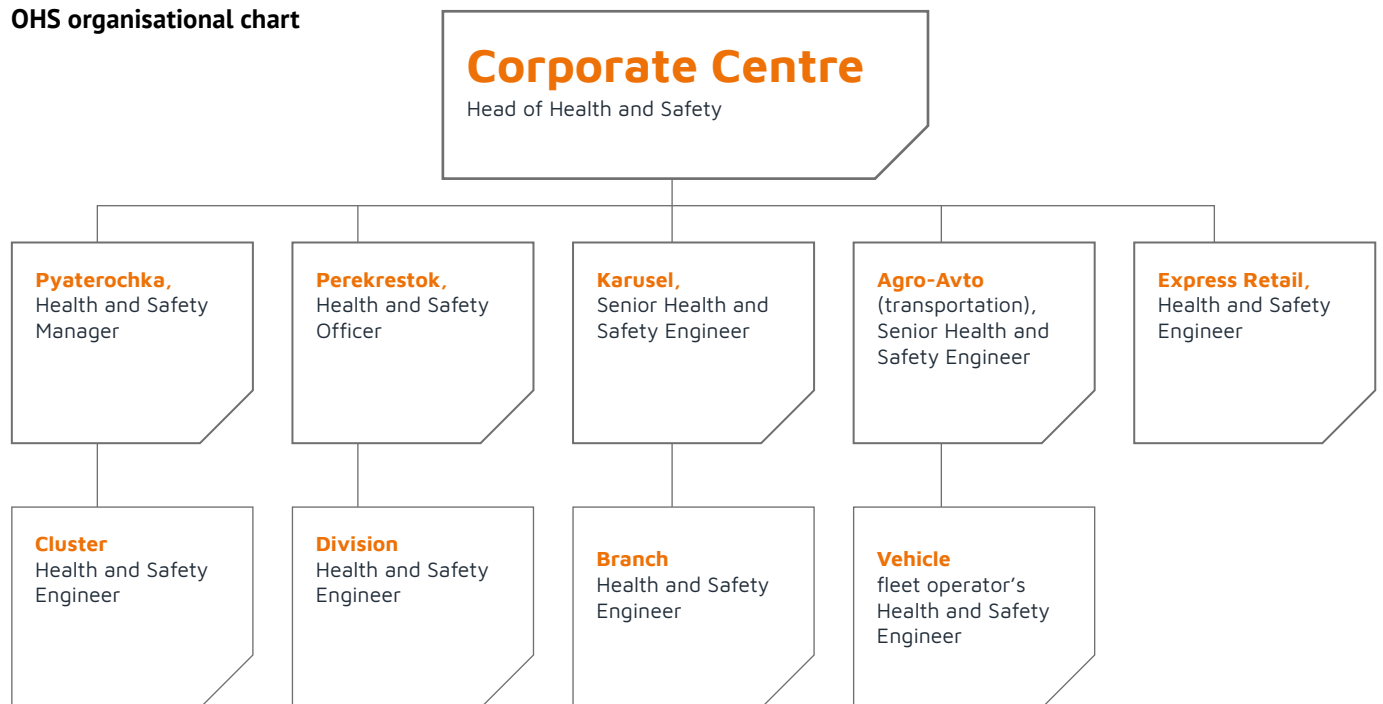
- We comply with the health and safety laws of the Russian Federation and other relevant regulations.
- We make sure every employee is aware of the known health and safety risks and hazards in the workplace, providing them with reliable information and ensuring involvement at all levels.
- We continuously improve our health and safety management system so that it meets the evolving needs of society.
- We ensure compliance with applicable laws and other OHS regulations, aiming to create a healthy and safe working environment and prevent workplace accidents and occupational diseases.

OHS system highlights

- The Company's management is responsible for implementing the policy: it sets goals and objectives, engages in planning and funding relevant initiatives. The retail format management and the Health and Safety Department work together to deliver on these goals and objectives.
- The Company's Occupational Health and Safety Department monitors compliance with health and safety regulations in cooperation with heads of functions.
- Every month, the Company communicates the following to retail format management:
 - the results of internal audits and assessments of OHS compliance;
 - results of external audits by supervisory authorities, including claims;
 - results of investigations, as well as remedial and preventive initiatives;
 - measures the format has implemented based on previous audits;
 - information on new developments, including changes in laws and other OHS regulations;
 - quarterly and annual injury rate reports;
 - annual reports on working conditions and their compliance with laws and other OHS regulations.
- A member of each retail format's senior management (usually the HR director) is directly responsible for health and safety regardless of their other responsibilities.
- In 2017, the Company launched the Health and Safety Management System (HSMS), its most effective tool for upholding the Occupational Health and Safety Policy. The HSMS was developed in line with the international OHSAS 18002 Occupational health and safety management systems standard. The Company implemented the HSMS using the Plan-Do-Check-Act methodology.
- To provide health and safety training for its management and employees, the Company has developed Training Regulations and e-learning courses.
- The Company organises pre-employment and regular medical examinations to monitor and maintain the health of its employees. The Company provides uniforms and protective clothing to ensure safe working conditions.
- Internal audit data and results of accident investigations are used to develop initiatives set to improve workplace conditions. Analysis of occupational injury data also provides inputs for such initiatives.



OHS organisational chart



2017 performance highlights

- Health and safety training courses developed: in 2017, the Health and Safety E-Training for Blue-Collar Workers project provided training for 44,871 workers through the Company's online training portal.
- The Company successfully completed its Internal Health and Safety Audit project using the WRS-3 Electronic Checklist system. The project reduced the labour intensity of inspections and therefore enabled the Company to inspect more facilities, thus improving the overall health and safety environment.
- The Automated Medical Examination project intensified management involvement in medical examinations, accelerated processing and extraction of reliable data.
- In 2017, there was only a slight increase in the severity and frequency rates compared to previous years, attributable to new openings and hence increased headcount.
- At the same time, as the Company is in strict compliance with OHS standards, not a single case of occupational disease was registered in 2017.

The inspections carried out in 2017 revealed 550 organisational violations that did not result in employees suffering from injuries or occupational diseases.

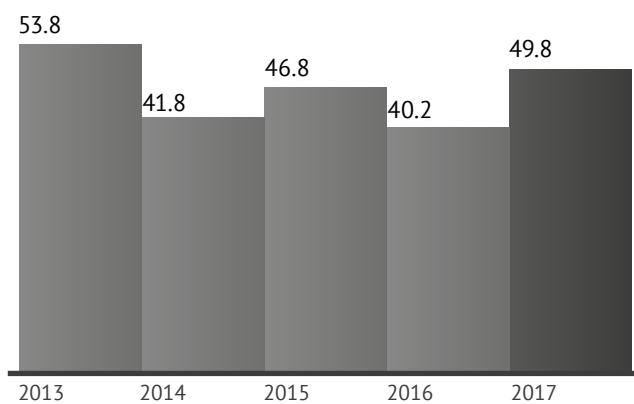
Government regulatory bodies identified 43 violations in the field of occupational health and safety and issued prescriptions to ensure the timely elimination of violations of the legislative and regulatory requirements of labour law.

Scheduled inspections in 2017:

RC	Number of inspections	Number of identified violations	Rectified within five days	Rectified within more than five days
Perekrestok	600	67	60	7
Karusel	94	45	40	5
TC5	2,122	385	346	39
Agro-Avto	78	53	51	2
Total	2,894	550	497	53

Severe accident ratio

Total number of employee work days lost per accident



Accident frequency rate

Number of accidents per 1,000 employees

