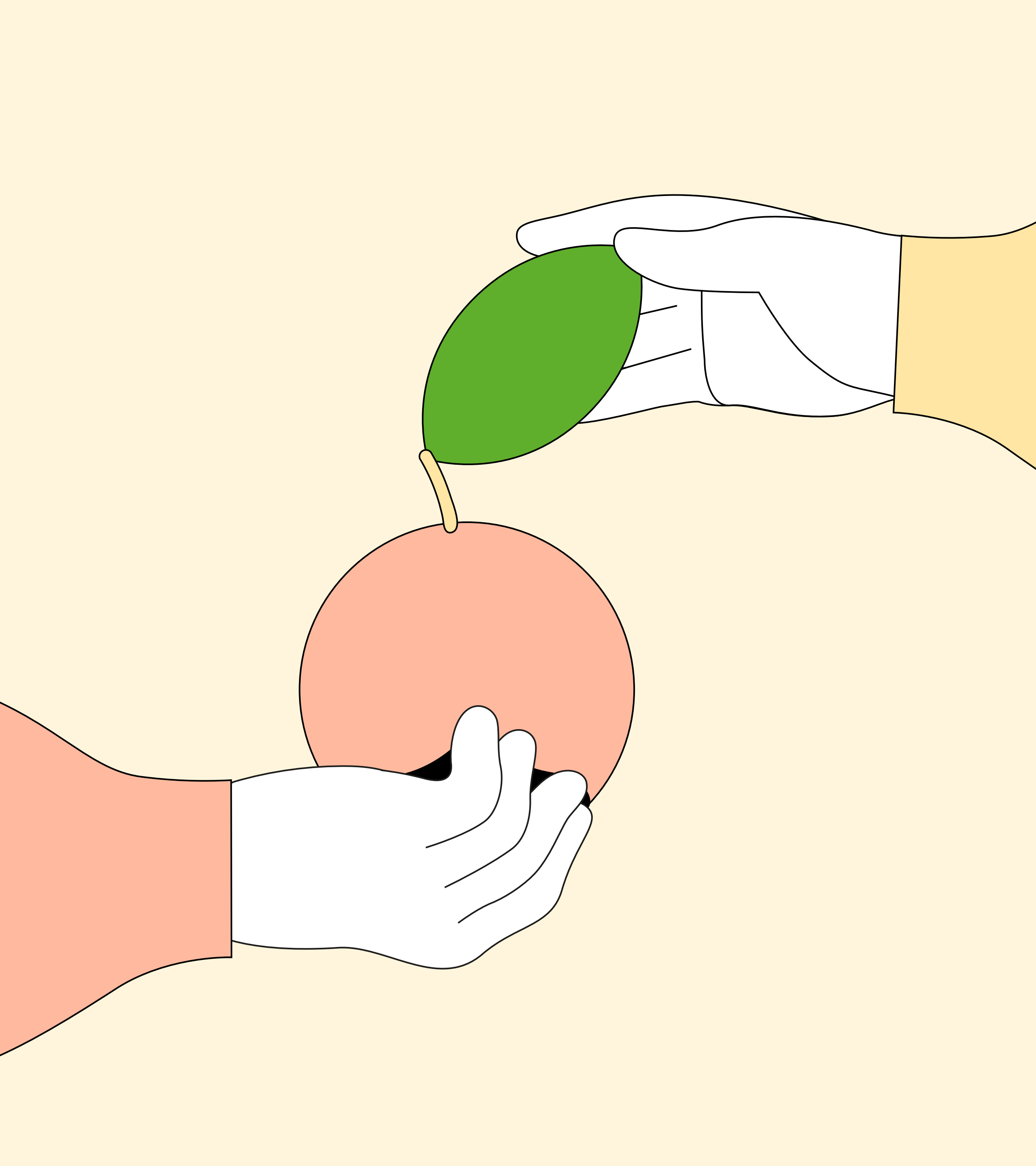


Sustainable development

Key news digest
for Q3 2022





X5 partners on pilot food sharing project

In late July 2022, X5 Group partnered with Foodsharing and Foodbank Rus to launch a pilot food sharing project that will donate food to individuals in need.

At the initial stage, the project ran at a number of X5's Pyaterochka stores in Moscow and Chelyabinsk, and later expanded to several Perekrestok supermarkets in Moscow and St Petersburg.

The project arranges in-store collection of food nearing its expiration date, trains employees in the necessary food handling procedures and establishes efficient logistics to deliver the food to those who need it most.

On a daily basis, X5 store employees select bakery products (rye bread, wheat bread, rusks) that are set to expire within 1-2 days. Afterwards, volunteers from one of the partner organisations collect and distribute these products to recipients on the same day, including to seniors living alone and multi-child families in need.

X5 and Foodbank Rus deliver over 107 tonnes of food to people in need

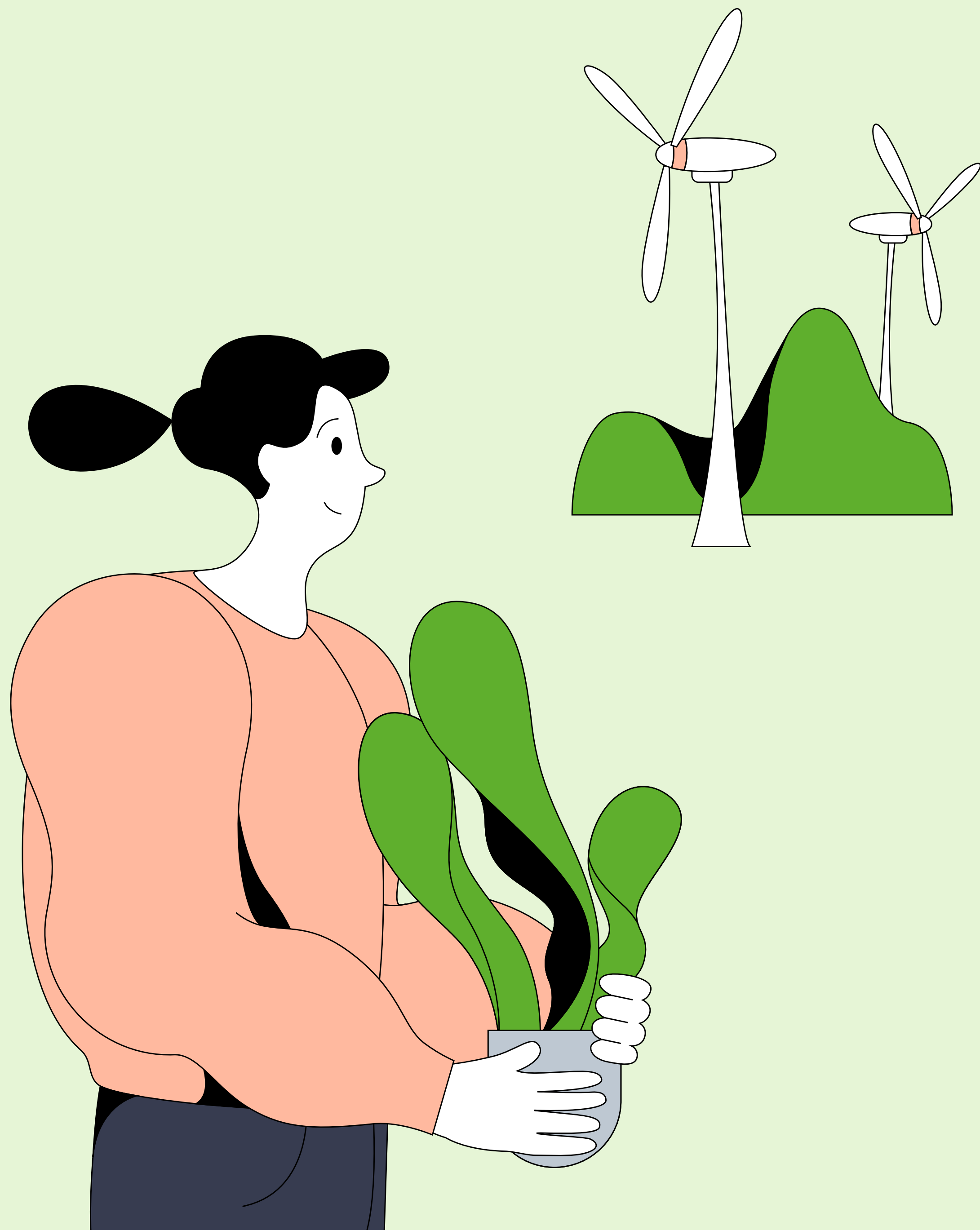
X5 and Foodbank Rus continued to support people in need through the Basket of Kindness food aid project.

In the three months, the partners organised several marathons and campaigns in 37 Russian regions to collect and donate around 107 tonnes of food to people in need, with over 54 tonnes delivered by X5 and Pyaterochka.

The initiative provided assistance to more than 58,000 people, including children, distressed multi-child families, pensioners and refugees.

In addition, the project donated more than 10.3 tonnes of pet food and other pet products to animal shelters in six Russian regions (Moscow, Sverdlovsk, Chelyabinsk, Volgograd and Saratov regions, and Tatarstan) in recognition of International Homeless Animals Day on 20 August.





X5 publishes ESG report for 1H 2022

X5 presented its progress in the sphere of ESG during 1H 2022 in a report that outlined the Company's latest achievements across four priority areas: community, planet, health and employees.

The full report is available at the [following link](#).

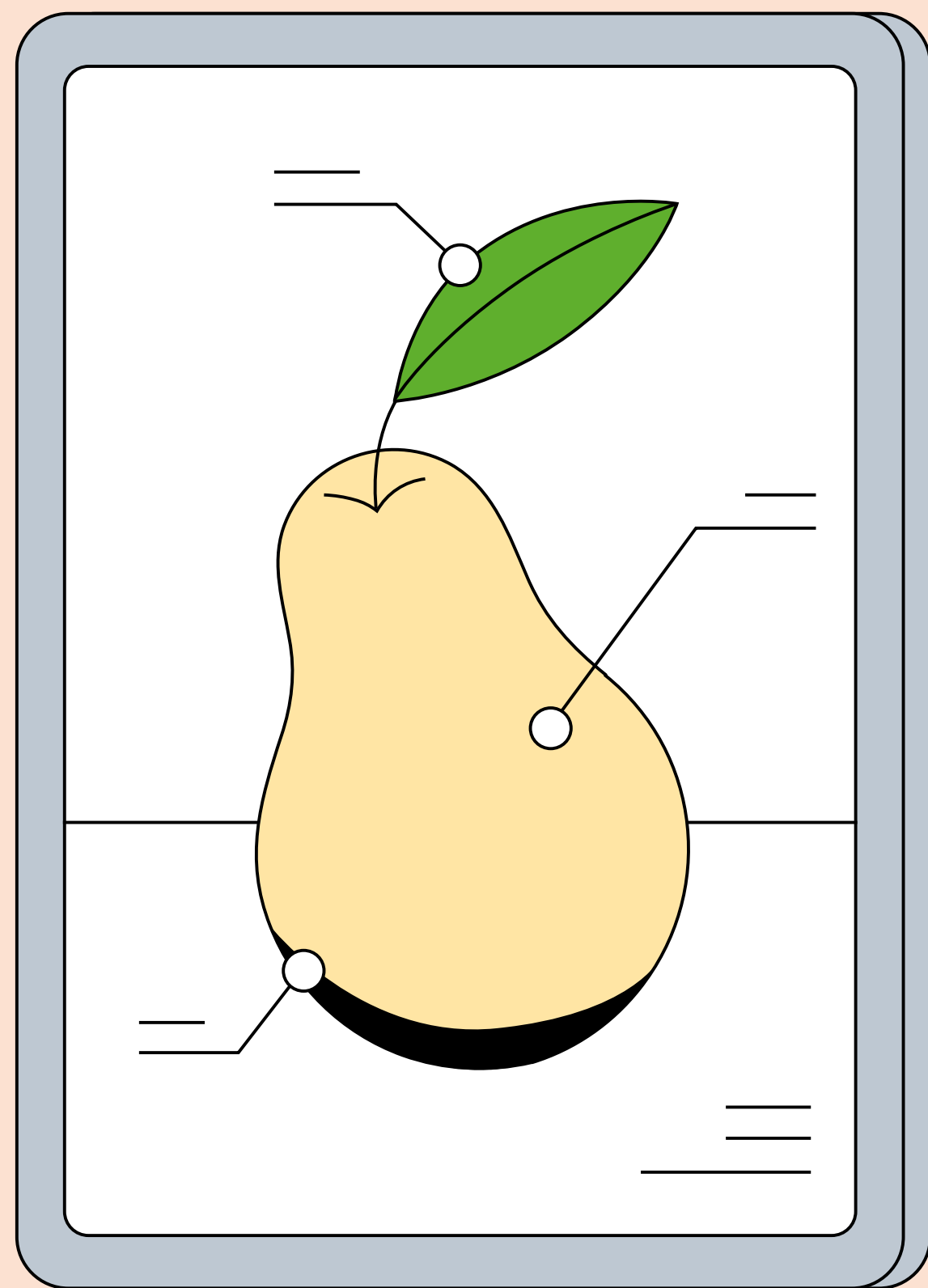


X5 launches interactive sustainability website

X5 Group launched a dedicated sustainability website for customers and stakeholders at x5vmeste.ru.

The site features all of the environmental, healthy-lifestyle and social projects that are available to customers at Pyaterochka and Perekrestok, along with interactive games, tests, check-lists and regular updates to ensure that customers never miss the latest sustainability initiatives.





Perekrestok pilots healthy lifestyle family tours

Perekrestok launched a pilot series of free [healthy lifestyle family tours](#) in its stores in Moscow and St Petersburg in partnership with a registered nutritionist.

By the end of 2022, the awareness-raising initiative will also be rolled out in Kazan, Samara and Nizhny Novgorod.

Customers who join the project will learn effective approaches to selecting healthy foods, tips for making sense of ingredient lists, achieving a balanced diet for the entire family, and much more.

X5 and partners assist lost people through the Safety Zones project

In Q3, X5 in partnership with Liza Alert and the Centre to Search for Missing People helped 314 people, including 24 children, to return home safely through the Safety Zones project.

Safety Zones were launched across X5's Pyaterochka and Perekrestok stores in the spring of 2019. Participating stores feature special areas marked by an orange geolocation sign that serve as a landmark for individuals who may be lost or disoriented.

Individuals can ask any store employee for help or wait for assistance in the designated area. Since its inception, the project has helped 3,573 people find their way home.

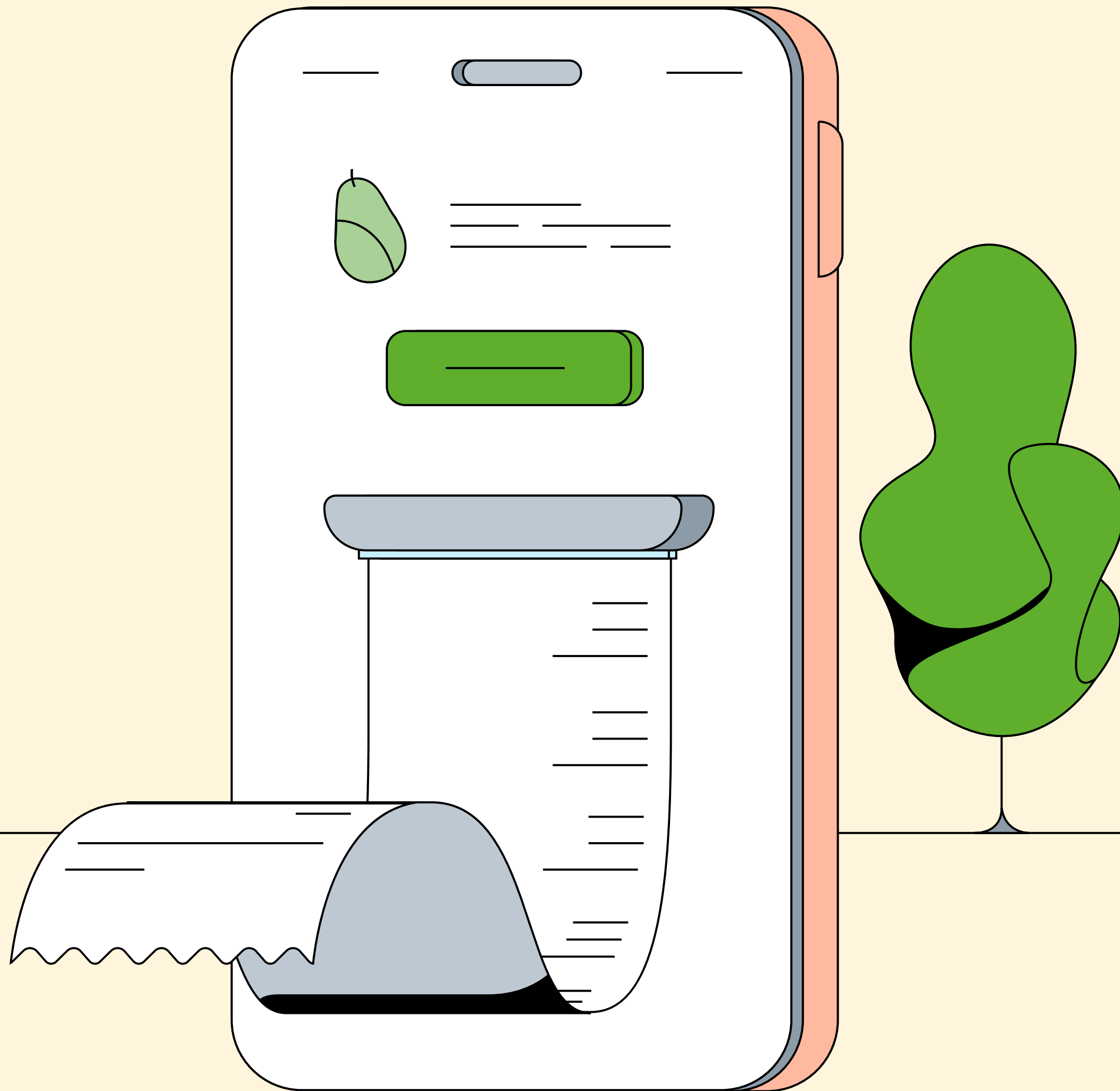


X5's online hypermarket helps customers go paperless

X5's online hypermarket Vprok.ru has begun phasing out paper receipts in an effort to transition fully to electronic receipts.

The process is now underway in Moscow and St Petersburg, with the rest of the regions covered by the service to join the initiative by the end of the year.

Instead of accepting a paper receipt with their order delivery, customers now have the option to have an e-receipt sent by the fiscal data operator to the email or phone number they have registered with the Vprok.ru mobile app. Customers can update their contact information at any time in their personal account.

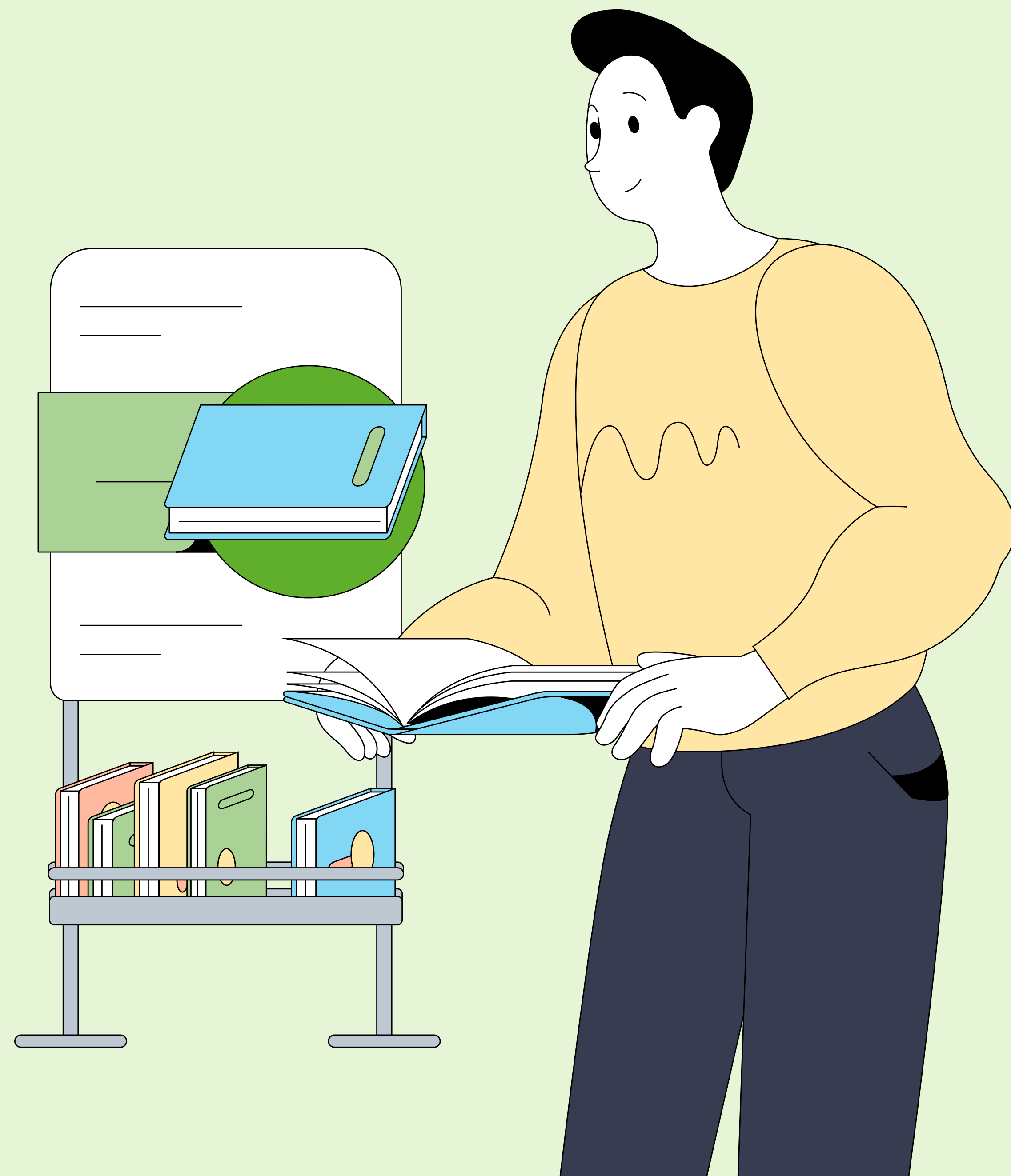


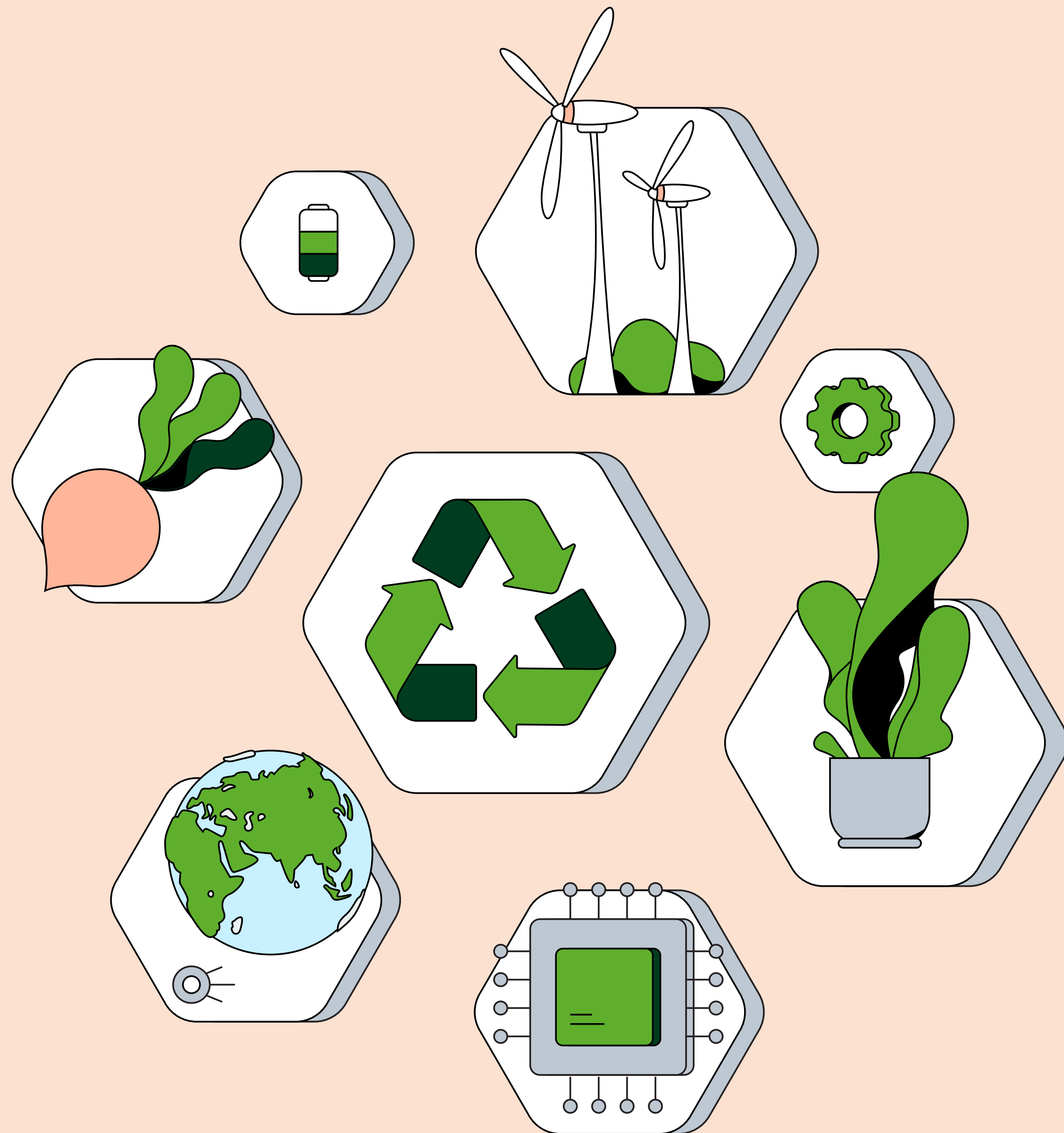
Pyaterochka joins book sharing project

Pyaterochka joined RE:BOOKS, a book collection and distribution initiative launched by a Russian operator.

16 Pyaterochka stores in Moscow and St Petersburg now feature containers where visitors can drop off books they no longer need for further donation or recycling.

Collected books will be distributed among rural libraries that have joined the RE:BOOKS project, while worn-out books will be sent for recycling. By the end of the year, X5 plans to have 30 Pyaterochka stores piloting the project in participating cities.





X5 and IIDF scout for ESG innovations

X5 Group teamed up with the Internet Initiatives Development Fund (IIDF) to scout for innovative practices in sustainable development.

Experts from the IIDF accelerator carried out a technological audit to identify areas with the highest potential for integrating start-up solutions. These include solutions in industrial automation, environmental improvements in distribution centres, stores and fleet/transportation, waste reduction and processing of recyclables, social programmes and more.

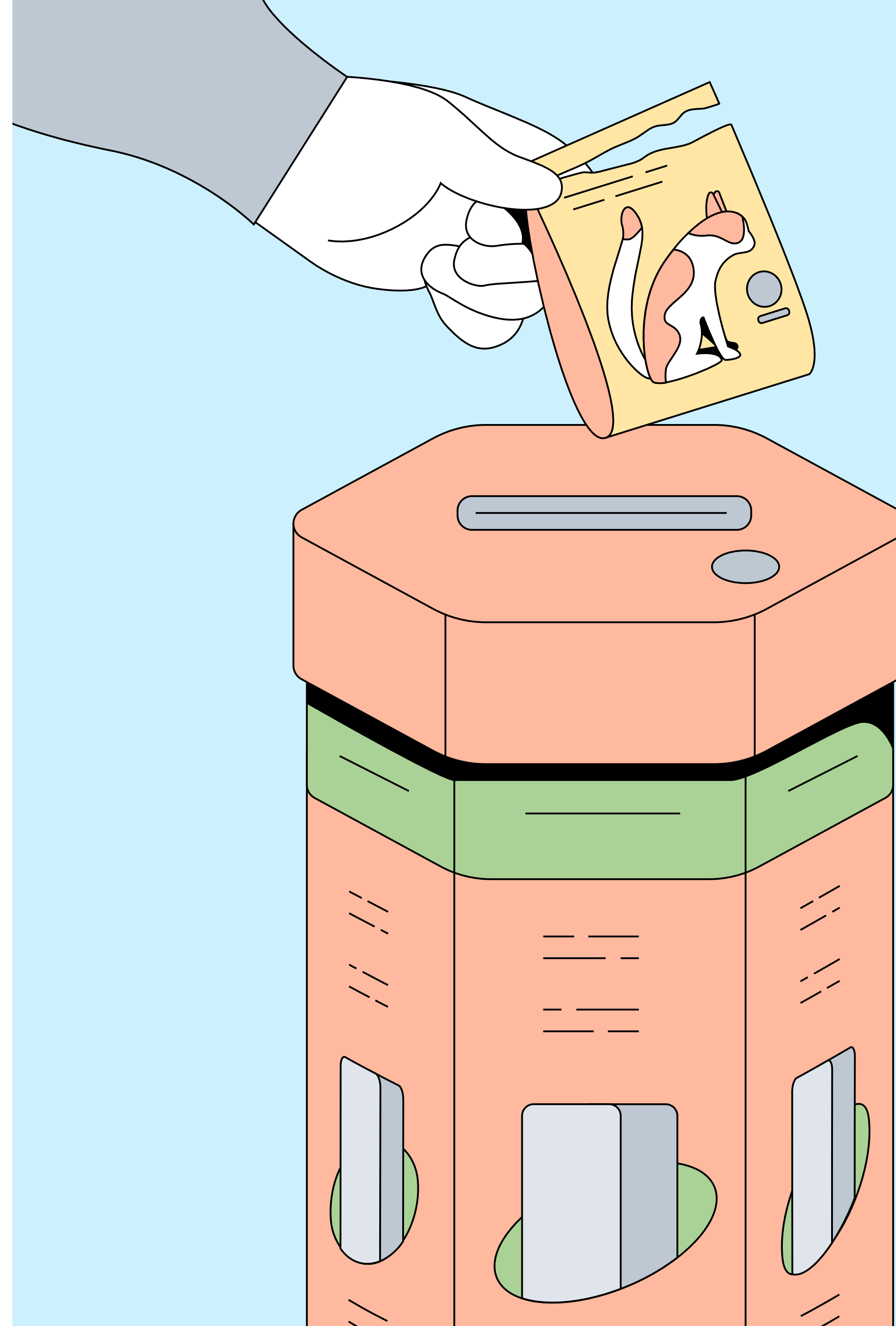
Following the close of the application period in September, the partners in October will start to assess the submissions against a number of criteria; these include technology readiness levels, anticipated effects from implementation, and the possibility to pilot and roll out new solutions across X5 Group.

Perekrestok recycles pet food packaging

X5 installed containers to collect and recycle used packaging from pet food at its Perekrestok stores.

The pilot has been launched as part of the Family Club programme in ten stores in Moscow and will continue until 12 November 2022. Depending on the results of the pilot, X5 will decide whether to scale up the project further.

Customers can use the containers to drop off pre-washed plastic packaging from dry and wet pet foods. The collected packaging will be sorted and sent to the Tver Polymers Recycling Plant (part of EcoPartners Group), which separates waste and collects and processes recyclables.





Pyaterochka expands assistance for the visually impaired

X5 expanded the geography of its social project to equip Pyaterochka stores with a system that assists visually impaired individuals.

As part of the initiative, Pyaterochka installed the Talking City system in an additional 15 stores in Krasnodar, Novorossiysk, Nizhny Novgorod, Yaroslavl, Kursk and Moscow, bringing the number of participating Pyaterochka stores to 26.

Priority was given to stores located near social facilities that are frequently attended by the visually impaired, including specialised schools and rehabilitation centres. Since its launch, the initiative has helped more than 500 customers with visual impairments to have a more comfortable in-store experience.

The Talking City system enables visually impaired individuals to locate store entrances and navigate indoors with no assistance.

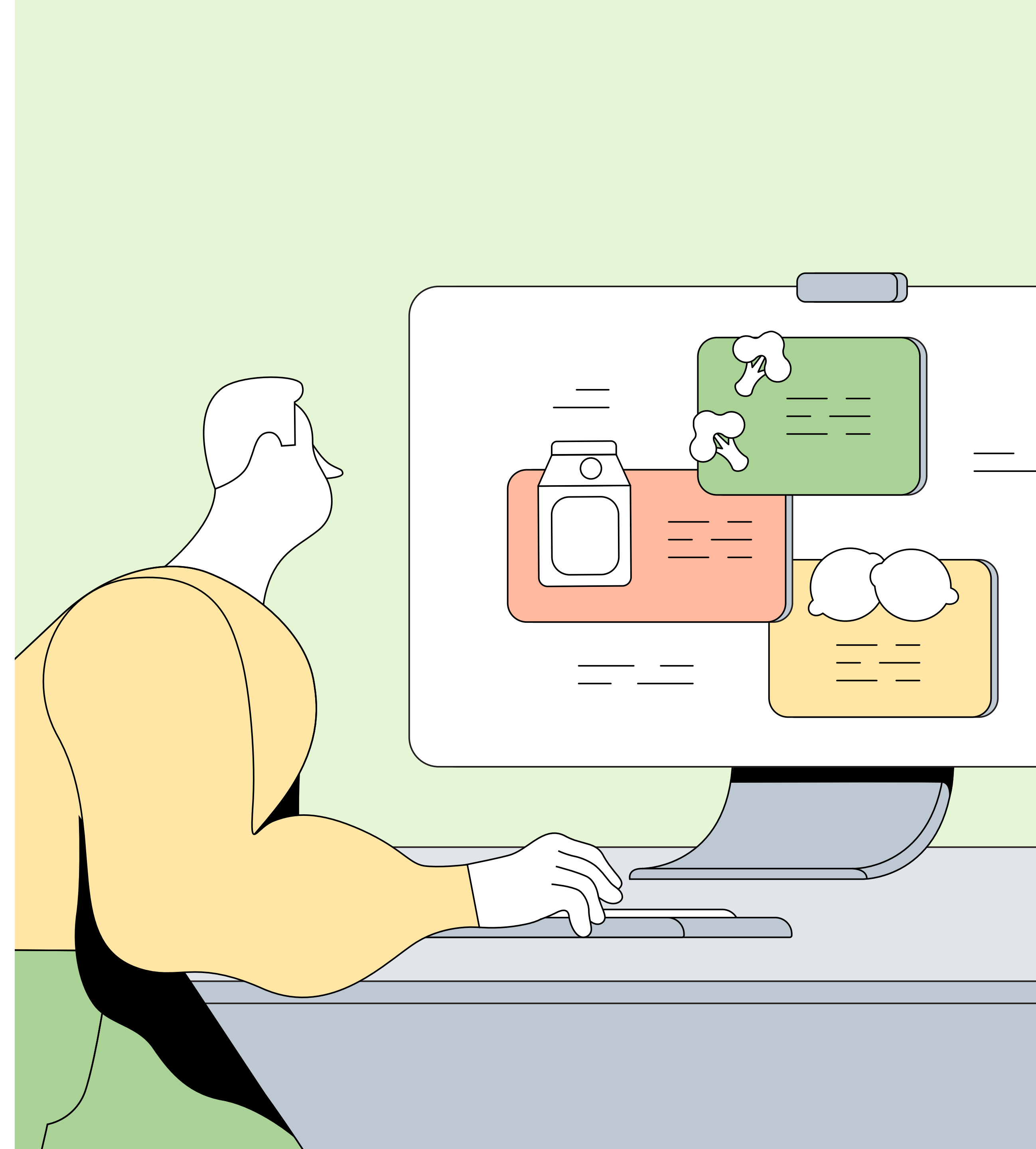
Visitors can use a special free app or a touch-tone device (to be provided by a non-profit organisation) to find the right door or navigate inside the store. The system also sounds warnings about obstacles near the entrances, along with other special audible signals.

X5 launches online education platform for employees

X5 Group launched its own corporate university called Polka X5, a single educational online platform for employees who want to undertake training, create a personal development plan and strengthen their competencies in relevant professional areas.

Polka X5 offers learning opportunities in a variety of formats that include online training, video classes, in-person training, podcasts, audio recordings, webinars, workshops and targeted courses.

The platform also includes an e-library and recommendations from the Company's top managers. Some courses are taught by employees, while others are taught by the Company's partners, including experts from leading universities and online platforms.





Perekrestok collects used items for donation and recycling

Perekrestok and its partner Zelenaya Kaplya, an organisation that collects used items, have collected over 40 tonnes of items for donation via special containers installed in 13 Perekrestok supermarkets in Moscow during the year.

The containers are intended for used clothes, footwear, toys, bags, belts, skates and roller skates, and textiles that have been pre-washed or cleaned and packed into a bag.

Since the launch of the project, 70% of collected items were given a second life and sent to second-hand stores.

Revenue from the items sold at second-hand stores were donated to Foodbank Rus, an organisation that provides humanitarian aid to seniors who live alone, multi-child families, and low-income families with children.



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