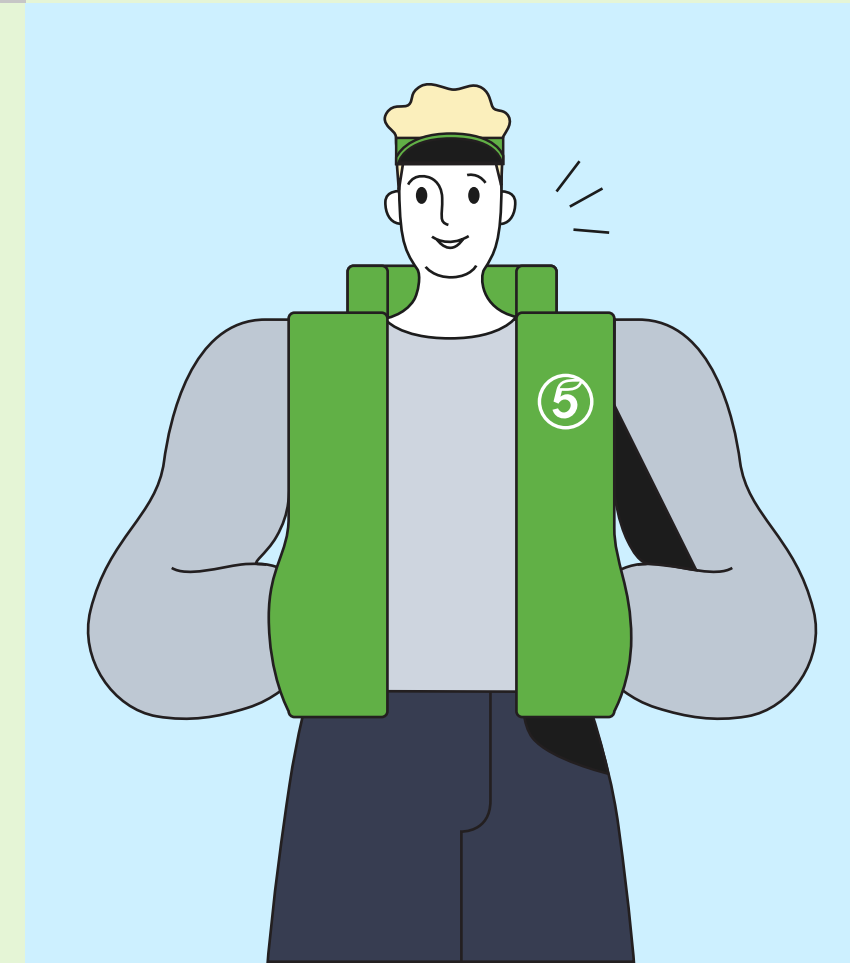
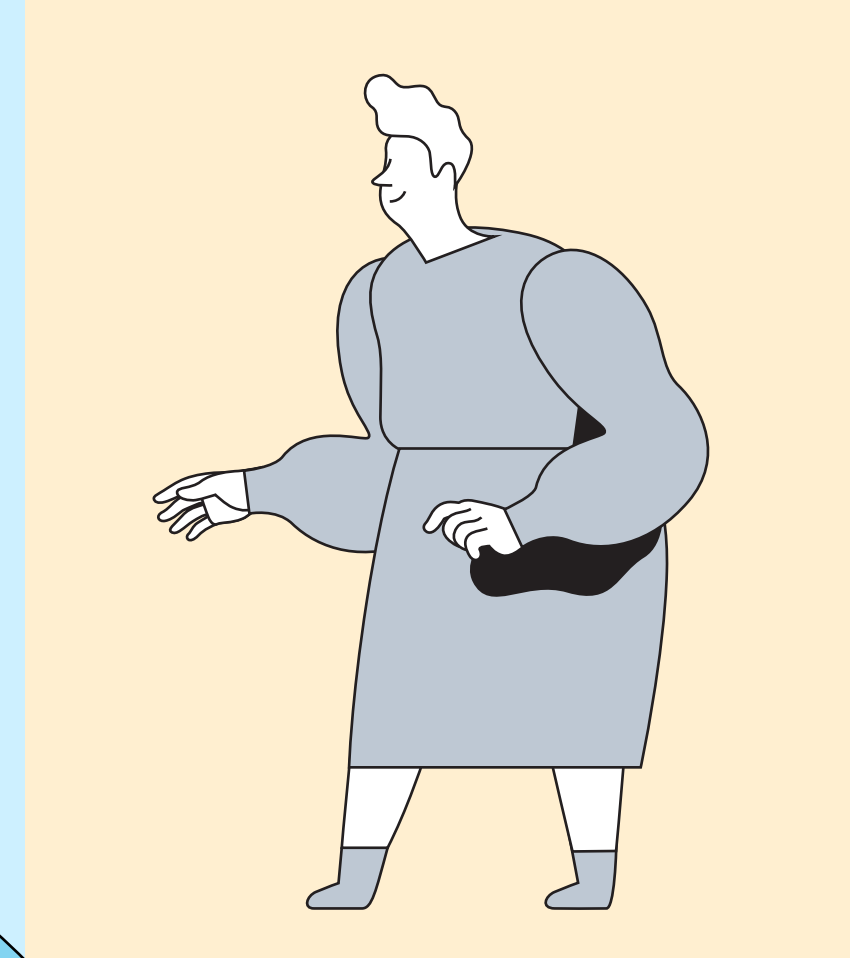
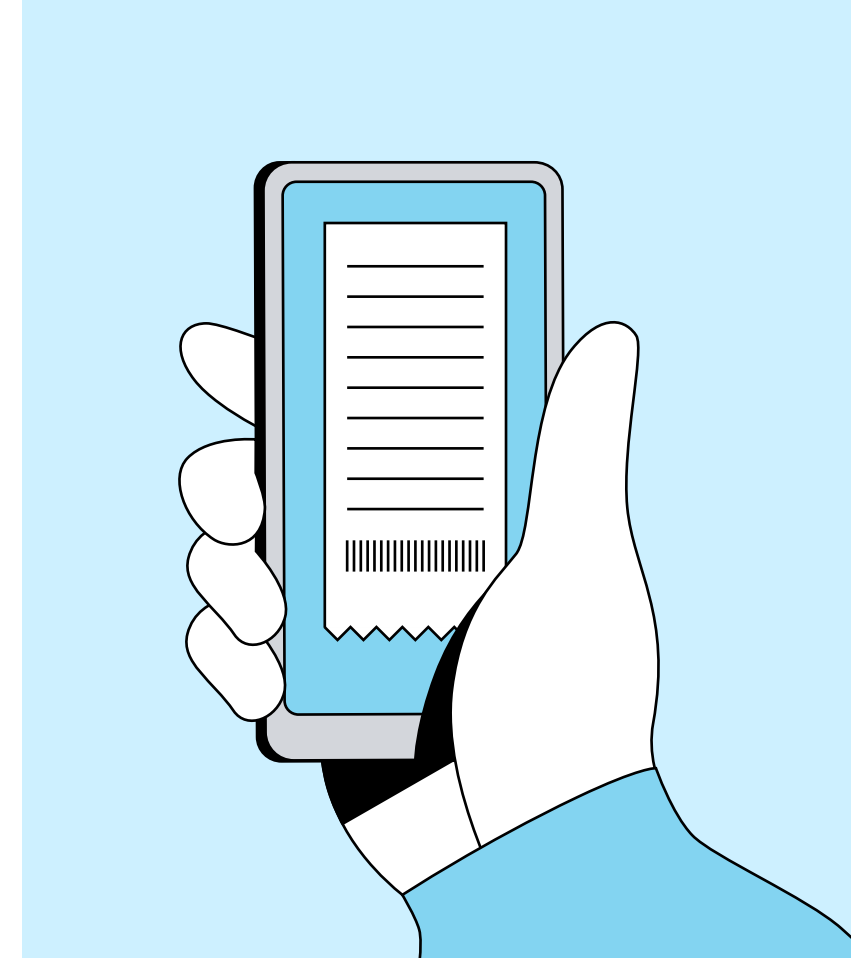


Sustainable Development

Key initiatives 2021





X5 Group adopted its Sustainable Development Strategy in December 2019. Since then, we have been applying a systematic and consistent approach to ESG projects across the four key areas set out in the Strategy to deliver on our 2023 and 2030 goals.

With the number of new initiatives and sustainable projects growing, we have decided to present some of the most interesting ones in this digest. I am happy to share with you the first selection which covers our 2021 initiatives.

Igor Shekhterman
CEO of X5 Group



X5 Group's first annual sustainability report

In May 2021, we released our first GRI-compliant annual report, which summarised all our ESG initiatives and highlighted progress against the Company's sustainable development targets.

In June, X5 held the first Growing Sustainable Together conference. The event focused on the environmental impact of retail, the importance of environmental cooperation, the promotion of healthy eating and healthy lifestyle habits among customers, businesses' social responsibility, as well as opportunities for businesses to help foster safe neighbourhoods.

Sustainable packaging

In 2021, X5 unveiled comprehensive sustainable packaging recommendations on 13 product categories developed jointly with manufacturers, suppliers, industry associations and the expert community. While working on the recommendations, we received feedback from 23 partners and 16 experts, and held a public discussion of the project with over 100 stakeholders. The document specifies the most and least favoured raw materials for packaging.

The document specifies the most and least favoured raw materials for packaging.

We continue to refine the recommendations and are open to dialogue with all partners to share our experience for the benefit of the entire industry.



Refill stations at “Perekrestok”

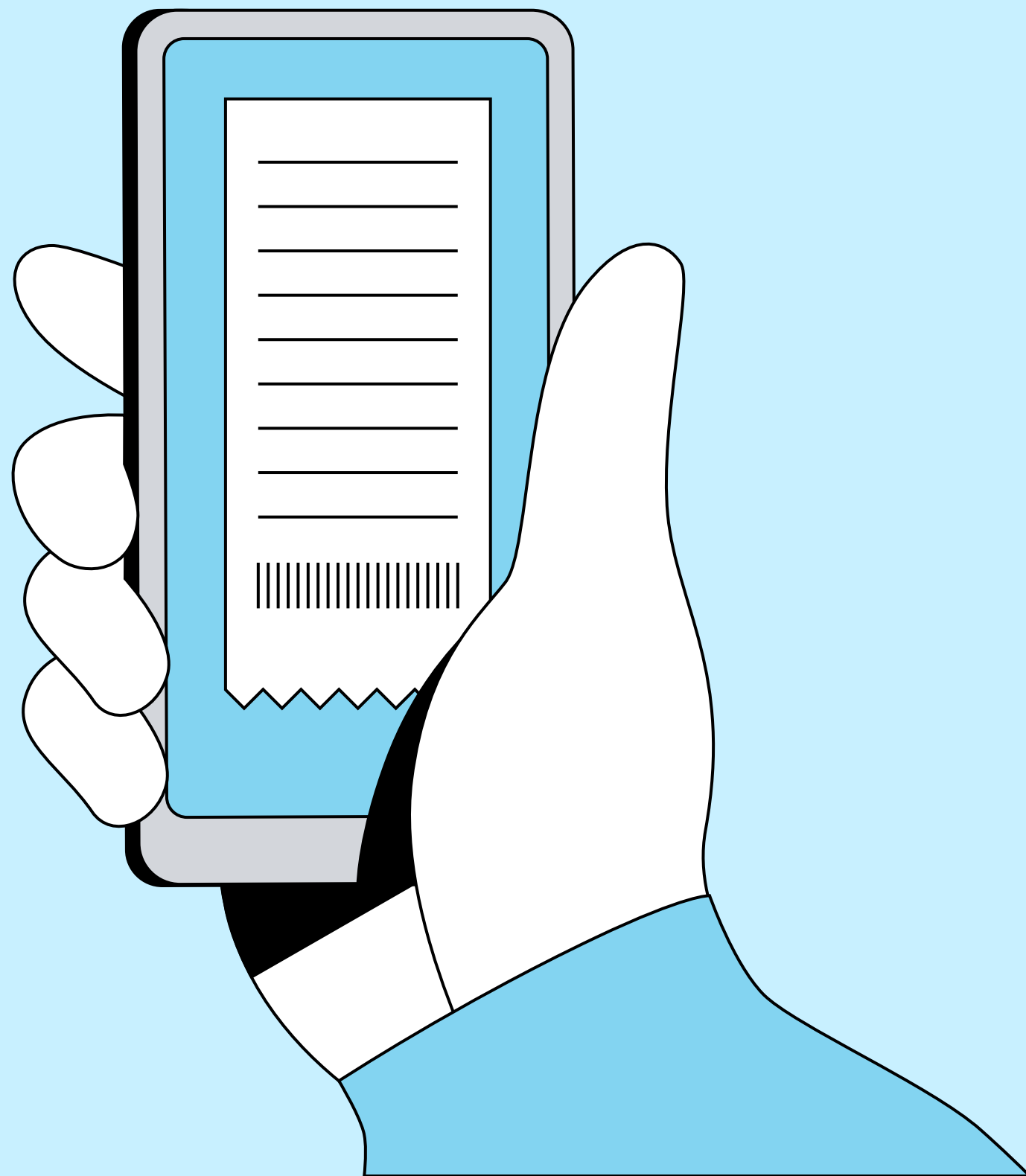
In January 2021, we installed refill stations for household chemicals at nine “Perekrestok” stores in Moscow. To refill, customers can use their own reusable containers or buy them in-store.

The project is implemented jointly with BioMio. With the customer feedback overwhelmingly positive, we started piloting a similar project in St. Petersburg, installing refill stations in two stores.



Electronic receipts

At “Pyaterochka” and “Perekrestok”, customers can now opt for electronic receipts instead of paper checks, helping to reduce paper waste. They can activate this feature through their personal accounts in the retail chains’ mobile apps.



Clean energy

“Pyaterochka” switched ten distribution centres to HPP-generated energy, taking a major step towards the expanded use of renewables.

Toothbrushes into paving tiles

In August 2020, “Perekrestok” launched a joint initiative with SPLAT to collect plastic toothbrushes for recycling. Over a year, “Perekrestok” customers brought in about 2.5 tonnes of plastic toothbrushes which were collected via special containers installed in more than 800 “Perekrestok” supermarkets.

The recyclables went into making polymer sand tiles to renovate a square in the city of Okulovka in the Novgorod Region. Due to the initial success of this project, we have extended the project until 31 August 2022.





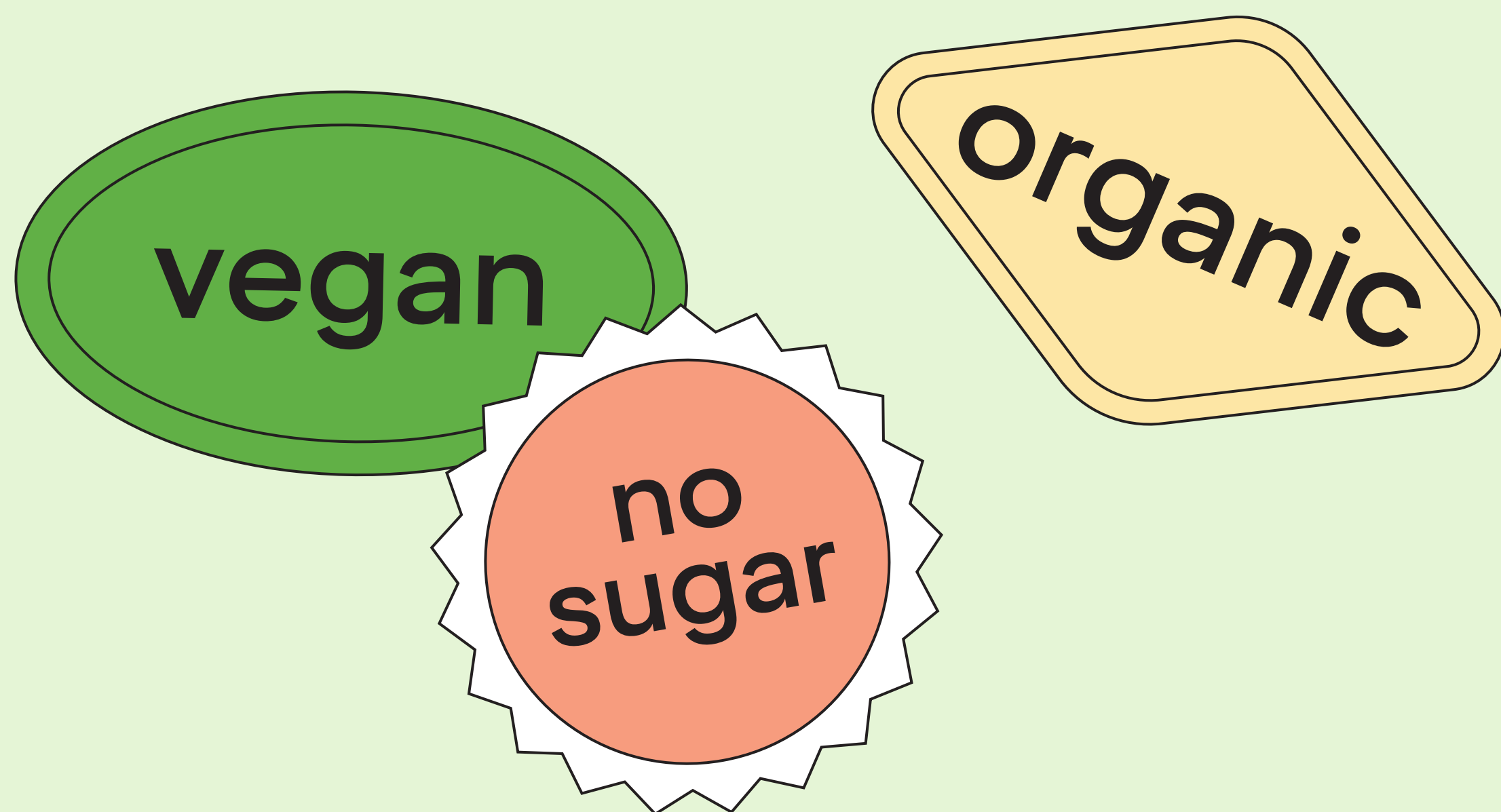
Environmental centre in Yekaterinburg

“Pyaterochka” and Procter & Gamble joined forces with the “Sborka” (Collection) project and “EcoTechnologies” Group to launch an environmental centre in Yekaterinburg.

The centre includes a collection point for recyclables, a shop trading in zero waste goods and local products, and an exhibition on recycling technologies where visitors can learn everything they need to know about the life cycle of household waste.

Healthy lifestyle labelling by suppliers

In 2021, “Perekrestok” introduced a labelling system for suppliers of healthy lifestyle products categorising the goods according to certain attributes, such as “vegan”, “organic”, “gluten-free”, “sugar-free”, etc. The labelling has made it much easier for customers to find the products they need.



The sustainable development glossary

X5 Group and RBC put together a glossary featuring 33 sustainable development terms. It was published on the RBC Trends website and in the print version of the RBC magazine. The project was also promoted in all “Perekrestok” supermarkets in Moscow and the Moscow Region to raise customer awareness about the chain’s ESG initiatives.

“Basket of Kindness”

More than 184,000 families benefited from the project in 2021, with our customers donating over 355.7 tonnes of food.



218.5 tonnes of food was collected during food charity events for people in need hosted at “Pyaterochka” and “Perekrestok” stores. An additional 22.6 tonnes was purchased using donations collected online at <https://корзина-доброты.рф>, while X5 contributed an additional 114.6 tonnes of food.

As many as 140,000 customers participated in the initiative, with 8,088 volunteers from Foodbank “Rus” and 1,729 employees of the retail chains taking part in organising the charitable campaigns and food drives.

Nikita Kukushkin's “Pomoshch” (Help) project

In the summer of 2021, “Perekrestok” became general partner of actor Nikita Kukushkin's “Pomoshch” (Help) project in the food retail category. During the year, we contributed about RUB 30 million to the project.



“Safety Zones”

In 2021, 1,370 lost people, including 68 children, were able to find their way home thanks to our “Safety Zones” project. Since inception, the project has helped 2,675 people.



“Accessible Environment” social programme

“Perekrestok” launched the “Accessible Environment” social programme to make the chain’s stores more accessible for people with disabilities.

Currently, the project is implemented in five regions, including Moscow, Petersburg, Yekaterinburg, Voronezh and Belgorod, with 30 stores certified as accessible.

Employees with hearing loss

“Pyaterochka” started hiring people with hearing loss as order pickers in its Moscow and Moscow Region stores.

The initiative is a joint project with the All-Russian Society of the Deaf.

Employees with hearing loss pick orders, replace out-of-stock items with suitable options, package and label orders, and hand them over to couriers for delivery. They also work in-store handling goods and price tags.



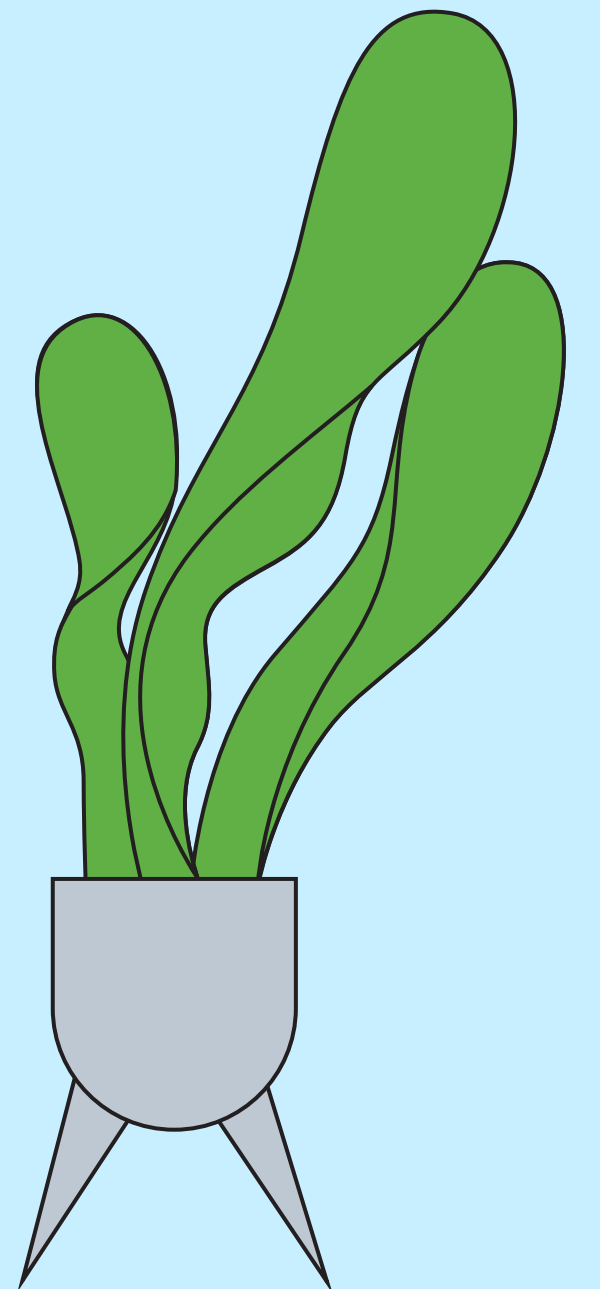
Aiming for more

S&P Global

MSCI 

CDP
DISCLOSURE INSIGHT ACTION

- X5 Group improved its score in the annual S&P Global Corporate Sustainability Assessment. In 2021, the Company received 49 points, an increase of 15 points year-on-year and 23 points above the industry average.
- The assessment benchmarks companies on several criteria, including environmental impact, climate strategy, corporate culture, social initiatives, and other ESG factors.
- MSCI upgraded X5's ESG rating to BBB, commending its anti-corruption policy and carbon footprint reduction plan.
- We also improved our score on the CDP (Carbon Disclosure Project) list from D to C.





Platinum status from Forbes

X5 received Platinum status from Forbes, becoming a Top 11 best employer in Russia. We were also recognised among the Top 3 most sustainable companies.



Sign up for our quarterly news digest
and follow our sustainability projects and initiatives
on our website esg.x5.ru/en/