



X5 SUSTAINABLE DEVELOPMENT STRATEGY

OUR MISSION

IS TO IMPROVE PEOPLE'S
QUALITY OF LIFE BY
OFFERING AFFORDABLE,
HEALTHY AND DELICIOUS
FOOD, AS WELL AS
HELPING OUT WITH
EVERYDAY TASKS

WE ARE GUIDED BY THE SUSTAINABLE DEVELOPMENT GOALS



WE ARE GUIDED BY THE SUSTAINABLE DEVELOPMENT GOALS

PRIMARY
AND SECONDARY
GOALS

	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 		5 GENDER EQUALITY 	
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 		10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 			

WE ARE GUIDED BY THE SUSTAINABLE DEVELOPMENT GOALS

PRIMARY
AND **SECONDARY**
GOALS



PLANET

Promote rational use of resources and sustainable consumption



COMMUNITIES

Support local communities through increased social investments and charitable programmes



HEALTH

Promote healthy lifestyle and ensure the availability of quality and healthy products



EMPLOYEES

Ensure decent working conditions and equal opportunities for all employees





NATIONAL GOAL

**COMFORTABLE
AND SAFE LIVING
ENVIRONMENT**

X5's sustainable development priorities also contribute to the Russian Federation's National Development Goals



NATIONAL GOAL

**PRESERVATION OF THE
POPULATION, HEALTH
AND WELL-BEING OF
PEOPLE**



NATIONAL GOAL

**PRESERVATION OF THE
POPULATION, HEALTH
AND WELL-BEING OF
PEOPLE**



NATIONAL GOAL

**DECENT, EFFICIENT
WORK AND
SUCCESSFUL
ENTREPRENEURSHIP**



30×30

X5 Retail Group Strategic Goals
by 2030

OUR GOAL: 30% BY 2030

PLANET



30%

reduction of GHG emissions (Scope 1 + Scope 2)

30%

share of renewable energy used in X5 operations

30%

reduction in ratio of waste generated to retail sales

HEALTH



Promote responsible programmes and principles across the supply chain

Expansion of healthy lifestyle assortment*

* Healthy lifestyle assortment includes: gluten free, no added sugar, organic, fresh from farm, natural ingredients, high protein, low calories, vegan

COMMUNITIES



UP TO

30%

Increase of the growth rate of number of families receiving Basket of Kindness per year

EMPLOYEES



#1

Employer in ranking of Russian food retailers

Organisation of healthy and safe workplace for all employees

PLANET

Promote rational use of resources and sustainable consumption

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND



COMMUNITIES

Support local communities through increased social investments and charitable programmes

2 ZERO HUNGER

HEALTH

Promote healthy lifestyle and ensure the availability of quality and healthy products

3 GOOD HEALTH AND WELL-BEING

EMPLOYEES

Ensure decent working conditions and equal opportunities for all employees

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

8 DECENT WORK AND ECONOMIC GROWTH

PLANET

Promote rational use of resources and sustainable consumption

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	7 AFFORDABLE AND CLEAN ENERGY 	11 SUSTAINABLE CITIES AND COMMUNITIES 	13 CLIMATE ACTION 
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PLANET

UP TO
-10%



GHG emissions by 2023*

2019 vs 2018: -3%



Renewable energy used by X5 operations

2019: 0%

* Target reduction in CO₂ equivalent per sq m of retail space



PLANET

UP TO

10%



reduction in waste generation coefficient (volume of waste generated / retail sales) by 2023

2019: Pyaterochka 0.58, Perekrestok 1.84

UP TO

95%



of recyclable waste* from X5 operations to be sent for recycling by 2023

2019: Pyaterochka 94%, Perekrestok 69%

UP TO

40%



of non-expired food waste to be reprocessed by 2023

2019: Pyaterochka 6%, Perekrestok 5%

* Recyclable solid waste: plastics, cardboard, film, banana boxes, wooden pallets, tires, scrap metal, etc.



PLANET

5

SUSTAINABLE SUPPLY CHAIN

At least every 5th supplier promotes sustainable packaging*

2020: 16% of purchasing turnover

>50%

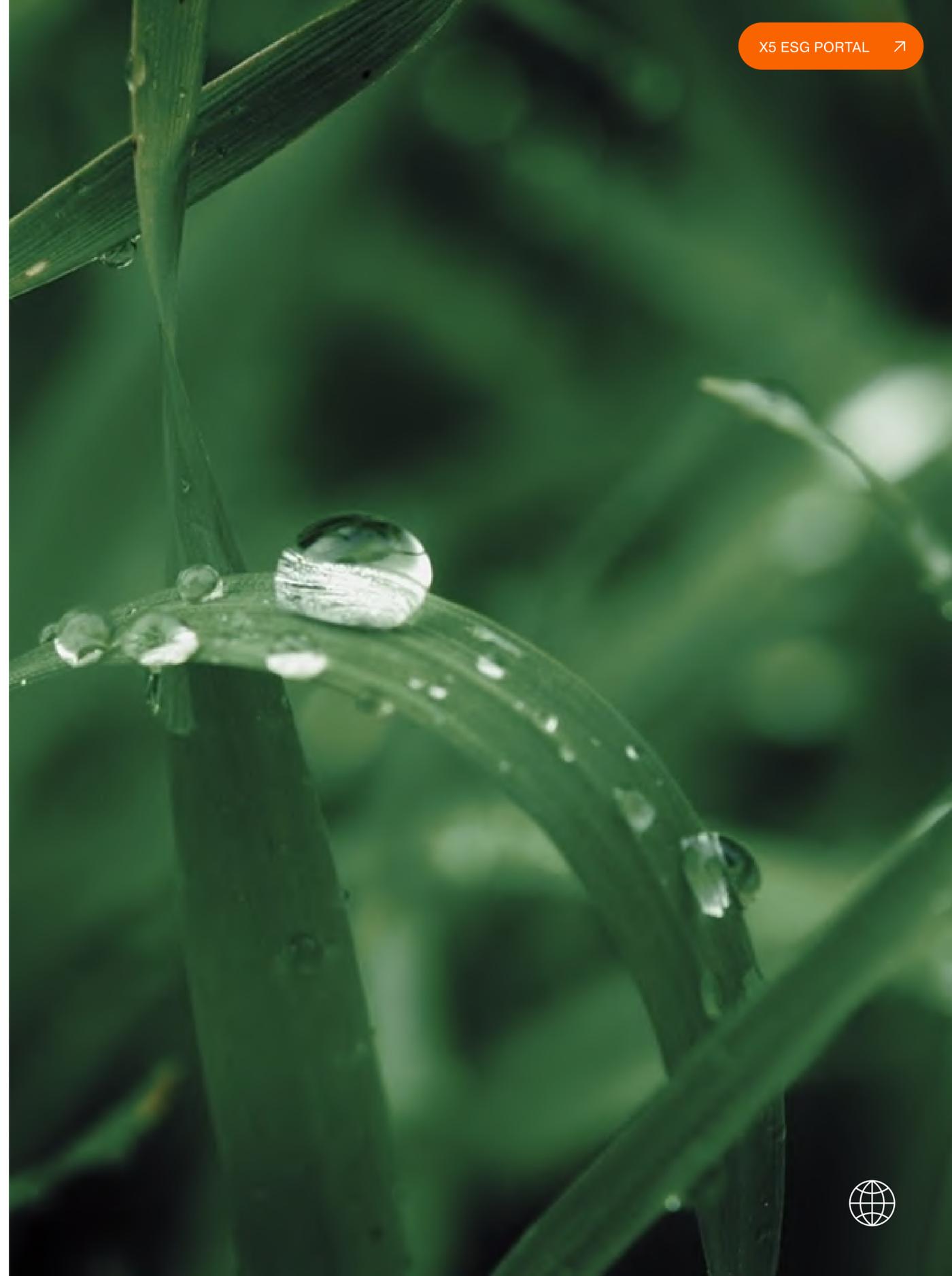
Share of private label assortment that uses sustainable packaging

2020: 48%

SUSTAINABLE SUPPLY CHAIN

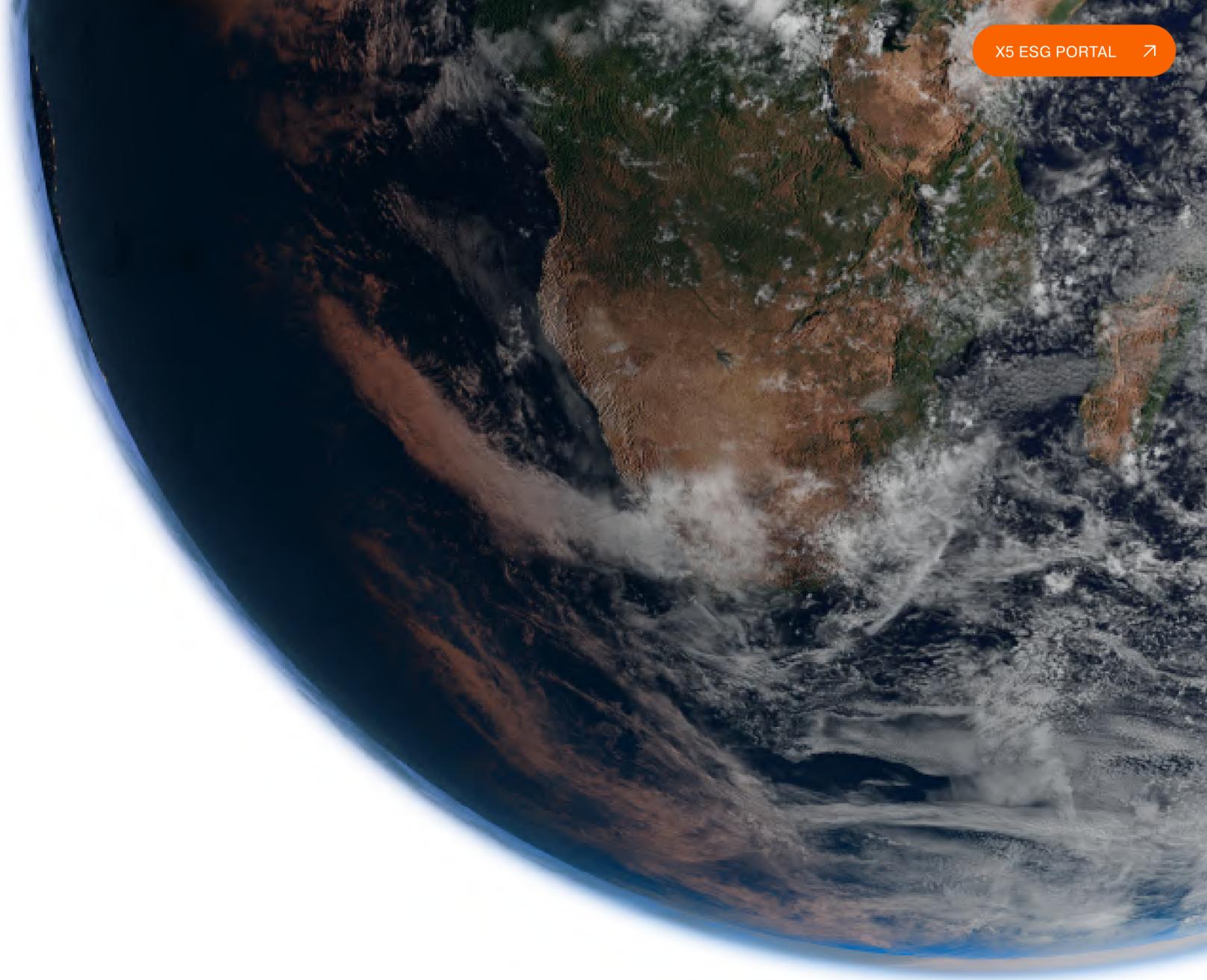
Promote sustainable sourcing programmes and principles across the supply chain

* In line with X5 Retail Group recommendations for suppliers



HEALTH

Promote healthy lifestyle and ensure the availability of quality and healthy products



HEALTH

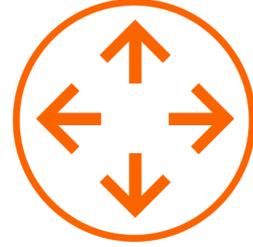
UP TO

50%



share of fresh and fruits & vegetables in assortment by 2023

2020: Pyaterochka 44%, Perekrestok 50%



Expansion of healthy lifestyle assortment*

* Healthy lifestyle assortment includes: gluten free, no added sugar, organic, fresh from farm, natural ingredients, high protein, low calories, vegan



COMMUNITIES

Support local communities through increased social investments and charitable programmes



COMMUNITIES

+100%

families receiving Basket of Kindness help by 2023

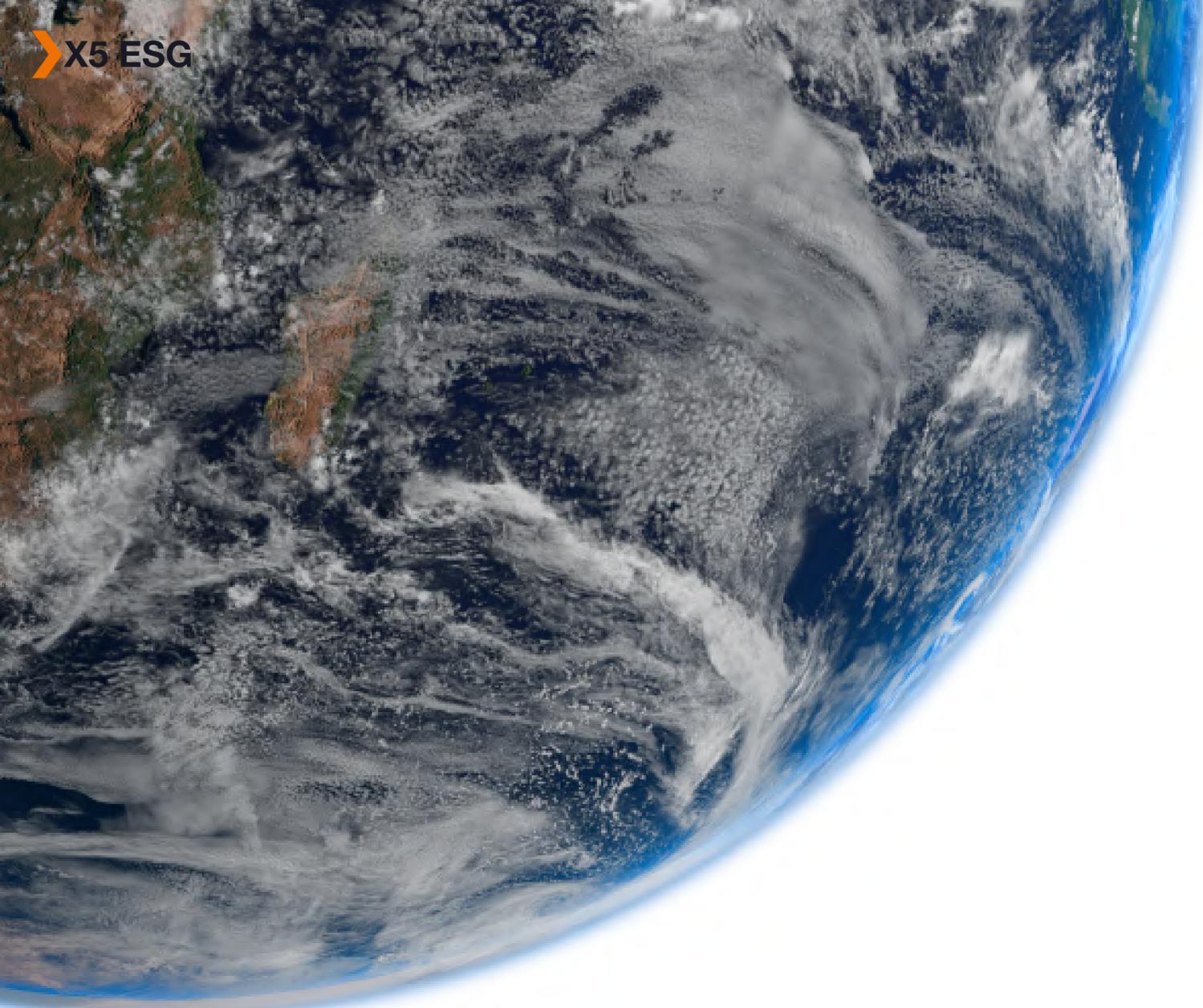
2019: 19,200 families received support from Basket of Kindness. Since 2015 Basket of Kindness has provided more than 600 tonnes of food aid to 60,000 families



all stores engaged in Help for Lost People programme by 2023

2019: All Pyaterochka stores





EMPLOYEES

Ensure decent working conditions and equal opportunities for all employees

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

8 DECENT WORK AND ECONOMIC GROWTH

EMPLOYEES

>75% 

employee engagement by 2023

2018: 49% employee engagement



Organisation of healthy and safe workplace for all employees

Implementation of standards at 100% of company's facilities by 2023

#1

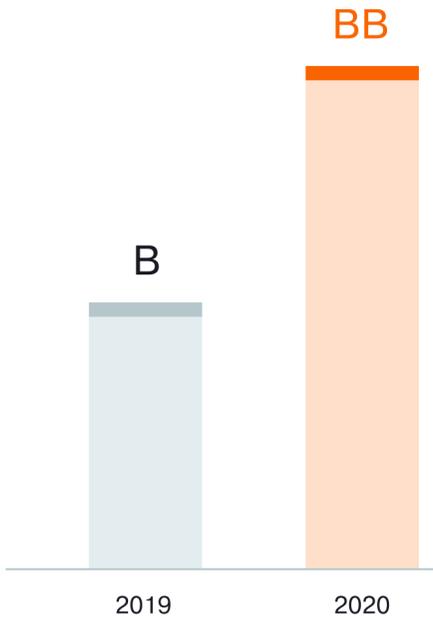
employer in ranking of Russian food retailers



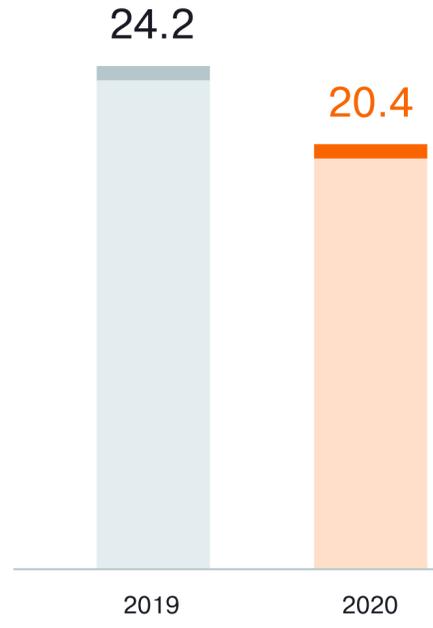
ESG RATINGS

POSITIVE DYNAMICS IN KEY RATINGS

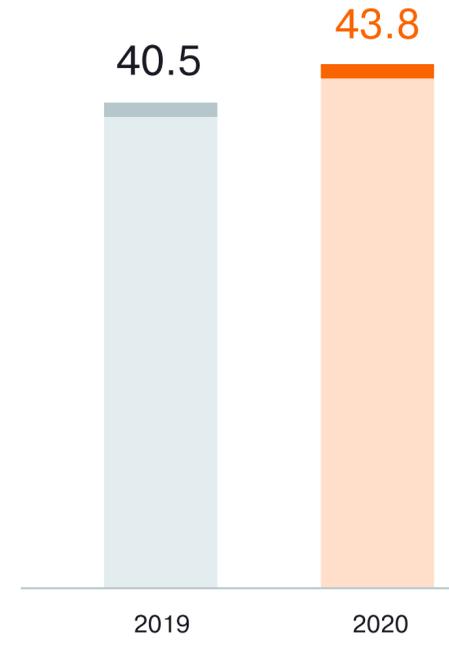
MSCI ESG Rating



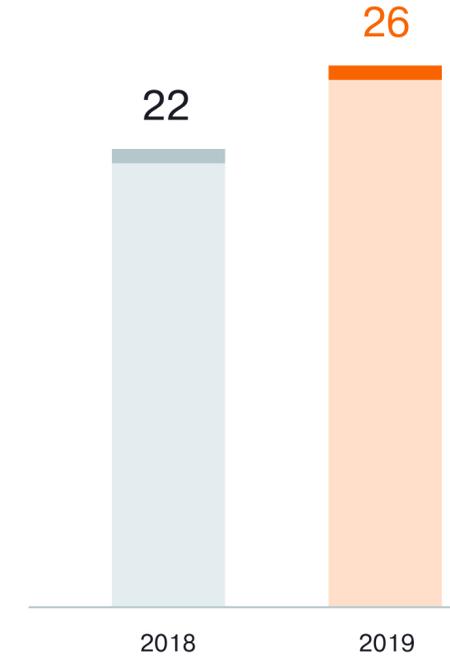
Sustainalytics Risk Rating*



Bloomberg ESG Disclosure Score



RobecoSAM Score

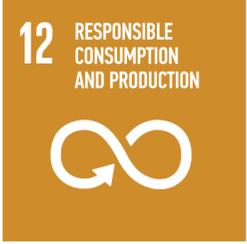


* SCALE 1 TO 100
with 100 = worst, 1 = best



PROGRESS AGAINST STRATEGIC GOALS

PLANET: PROGRESS AGAINST STRATEGIC GOALS IN H1 2020



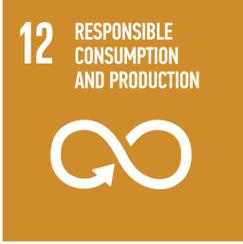
PROMOTE RESPONSIBLE CONSUMPTION AND RESOURCE USE

Reducing volume of waste sent to landfills

- › Conducted as-is analysis of waste management in retail chains and other business units, maturity assessment vs benchmarks, calculated waste weight and quantification of relevant metrics and targets
- › Implemented Waste Minimisation Policy and Waste Management Procedure
- › Designed waste management training for relevant company employees
- › Increased the amount of solid waste recycled by 35%
- › Tripled food waste used for animal feed
- › Perekrestok.ru launched plastic bag collection to be recycled
- › Introduced a requirement to use recycled plastics in manufacturing baskets and bags for Perekrestok and Pyaterochka stores



PLANET: PROGRESS AGAINST STRATEGIC GOALS IN H1 2020



PROMOTE RESPONSIBLE CONSUMPTION AND RESOURCE USE

Support sustainable consumption

- › An interactive online course on sustainable consumption was launched jointly with UNITAR (United Nations Institute for Training and Research) and Danone
- › Promotion of reusable bags (two million sold in 6 months) and mesh bags for fruits and vegetables that can be purchased in stores

Responsible supply chain

- › Based on the supplier survey, research analysis and public expert hearings, corporate packaging and certification recommendations for suppliers, and updated procurement policies were developed
- › Training in sustainability was launched for business partners and the commercial function

Energy consumption reduction

- › Conducted a quantitative assessment of Scope 1 and 2 GHG footprint in 2018 and 2019 in accordance with the GHG Protocol



HEALTH: PROGRESS AGAINST STRATEGIC GOALS IN H1 2020

3 GOOD HEALTH
AND WELL-BEING



PROMOTE HEALTHY LIFESTYLE. ENSURE THE AVAILABILITY OF QUALITY AND HEALTHY PRODUCTS

- › Developed criteria for classification of healthy lifestyle products, the functionality for which is being implemented on the supplier portal. In accordance with those criteria, relevant targets for increasing the share of healthy products in our assortment were set
- › Perekrestok launched the Nutritious Food Basket project
- › Perekrestok launched the Route of Healthy Habits in store project

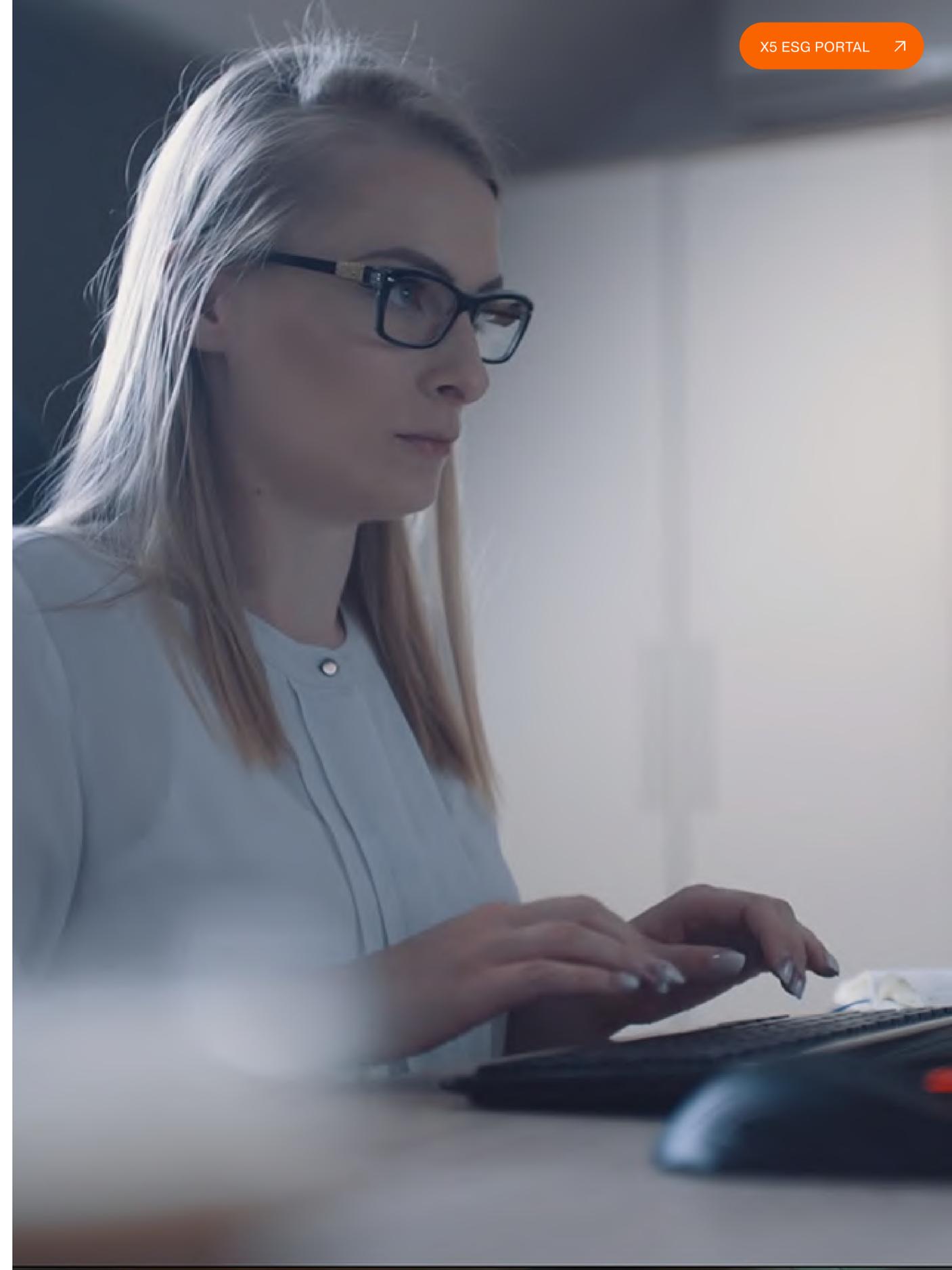


EMPLOYEES: PROGRESS AGAINST STRATEGIC GOALS IN H1 2020



ENSURE DECENT WORKING CONDITIONS AND EQUAL OPPORTUNITIES FOR ALL EMPLOYEES

- ▶ Launched sustainable development training for 95% of active employees
- ▶ Introduced a system of grades and bands, updated remuneration programmes for in-store staff
- ▶ Updated the approach to designing and arranging the staff break-out areas
- ▶ During the COVID-19 outbreak, 95% of office employees were provided with technical means to work remotely
- ▶ Launched a Home Office project enabling employees to combine work in the office and work from home
- ▶ During the COVID-19 equipped all in-store staff with PPE (masks, gloves)



COMMUNITIES: PROGRESS AGAINST STRATEGIC GOALS IN H1 2020



SUPPORT LOCAL COMMUNITIES

- › Development of “Basket of Kindness” and “Help for Lost People” projects
- › Special support measures implemented for pensioners and medics during the COVID-19 pandemic



PLANET

Promote rational use of resources and sustainable consumption



GOAL 2030 GOAL 2023 PROGRESS 2020

COMMUNITIES

Support local communities through increased social investments and charitable programmes



GOAL 2030 GOAL 2023 PROGRESS 2020

HEALTH

Promote healthy lifestyle and ensure the availability of quality and healthy products



GOAL 2030 GOAL 2023 PROGRESS 2020

EMPLOYEES

Ensure decent working conditions and equal opportunities for all employees



GOAL 2030 GOAL 2023 PROGRESS 2020

