



## **X5'S SUPERVISORY BOARD APPROVES SUSTAINABLE DEVELOPMENT STRATEGY TO 2025**

**Moscow, 25 September 2023** – X5 Group's Supervisory Board has approved an updated Sustainable Development Strategy, setting out the Company's sustainability targets to 2025.

X5 aims to reduce greenhouse gas (GHG) emissions (Scope 1 and 2) by 15%<sup>1</sup> through improved energy efficiency; increase the share of renewable and low-carbon energy used in its operations to 5%; and increase the share of private-label goods that use more environmentally friendly packaging to at least 60% by 2025. The Company also seeks to maintain an Employee Net Promoter Score (eNPS) of at least 40 p.p., increase sales of healthy lifestyle products, and develop its programme to deliver healthy lifestyle lessons for school students.

The updated Strategy places a greater emphasis on social programmes: X5 plans to increase the number of beneficiaries of its food aid projects by 10% annually, scale up its food-sharing initiative, and increase the number of Local Community Centres at its Pyaterochka stores by expanding this programme to more regions. The Strategy's new goals include promoting inclusion through more accessible stores and services.

Metrics to measure the Company's progress towards achieving its targets will also include customer feedback about X5 Group's initiatives.

"X5 not only remains committed to its sustainability agenda but also drives the continuous improvement of its internal processes, launching new projects to meet and exceed its strategic goals. We will report on progress against our 2023 targets next year, but our team has already set itself ambitious new targets. In addition to metrics updates, the Company also updated its sustainability strategy with new goals, such as reducing other indirect (Scope 3) emissions and improving water efficiency. A particular emphasis was placed on social initiatives, which include building inclusion, expanding food aid programmes, promoting healthy diets among school students, and more. And, of course, the Company remains committed to promoting the well-being of its people by focusing on employee engagement, professional development opportunities and workplace safety," said Ekaterina Lobacheva, X5 Group President.

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<sup>1</sup> Per 1 sqm of selling space compared with 2019.

**Note to Editors:**

**X5 Retail Group N.V.** (LSE and MOEX: FIVE; Expert RA – ruAAA; ACRA – AAA(RU)) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Chizhik hard discounters. X5 provides an omnichannel experience to its customers, integrating retail stores and e-commerce through its businesses Vprok.ru, 5Post and Mnogo Lososya.

As of 30 June 2023, X5 had 22,682 Company-operated stores. It has the leading market position in both Moscow and St Petersburg, as well as a significant presence in the European part of Russia and a growing presence in the Russian Far East. Its store base includes 20,248 Pyaterochka proximity stores, 956 Perekrestok supermarkets, 809 Chizhik hard discounters and 596 Krasny Yar and Slata stores. The Company operates 59 DCs and 4,604 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 358 thousand people.

For the full year 2022, revenue totalled RUB 2,605,232 million (USD 38,005 million\*), EBITDA pre-IFRS 16 reached RUB 186,788 million (USD 2,725 million\*), and net profit pre-IFRS 16 for the period amounted to RUB 52,248 million (USD 762 million\*). In H1 2023, revenue totalled RUB 1,468,407 million (USD 19,095 million\*\*), adjusted EBITDA pre-IFRS 16 reached RUB 100,748 million (USD 1,310 million\*\*), and net profit pre-IFRS 16 amounted to RUB 41,661 million (USD 542 million\*\*).

***Forward-looking statements***

*This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the fact that they do not only relate to historical or current events. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal", "believe", or other words of similar meaning.*

*By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Group N.V.'s control. As a result, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.*

*Any forward-looking statements made by or on behalf of X5 Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.*

*\* FX rate: 68.5494 USD/RUB*

*\*\* FX rate: 76.8996 USD/RUB*

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