

Information technologies

Our reliable and efficient IT platforms are a key element of the long-term sustainability of X5's business. In addition to serving as a vital backbone for the business, our IT systems contribute to top-line sales by enabling us to collect and analyse customer shopping data, while also supporting efficiency by helping us to make better decisions faster, automate processes and implement innovative technologies.

The Information Technology Department manages X5 Retail Group's IT systems from the Corporate Centre. The Department is responsible for ensuring both the integrity and scalability of the IT architecture and infrastructure to support business growth as well as innovations and new technologies.

The innovation team sits with the IT Department, ensuring that we have a good understanding of how innovative solutions can be implemented within the existing architecture.



2018 highlights

Reliable and resilient infrastructure: in 2018, we ensured 100% uptime for critical business systems and 99.74% uptime for all IT services. We launched our reserve data storage facility to ensure greater resilience in our systems. We also established a data management desk that is responsible for optimising X5's data storage and data management systems. This area of work is especially important, as X5's SAP BW on HANA cluster is one of the 10 largest systems using this platform worldwide.

Supporting growth: One of our key achievements in 2018 was the completion of the modernisation of the network core, which will enable growth for at least another three years and support up to 18,000 stores.

Compliance and reporting: we continued to strengthen regulatory and reporting compliance systems, including automation of certificates for suppliers through the Mercury system. We also continued implementation of systems for

monitoring tobacco and alcoholic goods. We updated our SAP systems to prepare for the introduction of the 20% VAT rate and IFRS 16 implementation in 2019.

Efficiency and innovations: We implemented and automated processing power and configuration management procedures, which, according to estimates, will save RUB 200 million in 2019. The IT Department has established business monitoring and robotisation competency centres that identify business processes that can be automated: this made it possible to automate nine routine processes in the X5 service centre in 2018.

Plans for 2019

We aim to focus on measures to speed up the implementation and integration of new IT solutions at X5 while maintaining the high level of reliability of our systems. We plan to transition to a product team-based approach in 2019, while continuing to develop tools and practices like Agile, DevOps, CI/CD and MSA.

