

AFI Development – CSR Policy

As a publicly listed real estate developer, AFI Development PLC (together with its subsidiaries – “AFI Development” or the “Company”) realises the importance of corporate social responsibility (CSR) and is committed to its integration across all its activities. It allows the Company to improve its competitive standing and reputation while increasing its ability to attract and retain stakeholders. Being a socially responsible company demonstrates our willingness to incorporate social and environmental considerations in the decision making process and formulate it into an approved CSR Policy accordingly (thereafter the “Policy”).

Our approach is based on the laws and regulations of the countries where our properties are located, corporate entities are registered as well as on widely implemented international standards. Our CSR policy is applicable to the Company, and we strive to apply it to any contractor and supplier we engage with.

Corporate Social Responsibility policy is an overarching document that contains the key principles from the Company’s Code of Ethics and Whistle Blowing Policy as well as Anti-Corruption, Environmental, Health and Safety and Human rights policies.

This present Policy covers Environmental, Social and Governance aspects of our business activities:

Environmental

As a real estate development and investment company, we rely heavily on natural resources used in construction and management of real estate. Consequently, we focus on efficient management of these resources and strive to find ways to optimize their use in our operations. We constantly explore ways to minimize energy use and ensure waste produced by our activities is utilized in compliance with the law.

The Company complies with the Russian environmental laws regarding protection of water, forest and environment. It also follows EU Environment policy.

The Company applies its internal Environmental policy to its Head office in Moscow and all other operating subsidiaries.

Social

Social responsibility is an important part of any Company’s long term strategy. Working together with internal and external stakeholders to create value and have a positive impact on the community and relationships is an important part of our CSR policy.

Given the broad range of stakeholders and challenges that have to be covered, we have consulted national laws and legislations as well as leading international acts and frameworks to create principles on social responsibility.

The foundation for this Policy is laid by the Constitution of the Russian Federation, Constitution of the Republic of Cyprus and Universal Declaration of Human Rights.

Employees

AFI Development considers its employees as the largest group of internal stakeholders and enforces social policy to resolve any human rights and operational health and safety issues that might face them.

With relation to social aspects, Company relies on two policies. Firstly, the Human Rights Policy, which states our respect for dignity, freedom and rights of our stakeholders. It constitutes a basis for our business values as also outlined in AFI Development's Code of Ethics. Secondly, Human Rights Policy principles prohibit and condemn any form of discrimination, harassment and aggression towards all employees of the Company and its operating subsidiaries. The Policy also encourages diversity and inclusiveness.

AFI Development's main Occupational Health and Safety principles encompass the continuous monitoring and enforcement of the safety of the employees, promotion of decent working conditions and management of operational health and safety risks.

Company has set up grievance mechanisms to receive, assess and respond to complaints or queries from stakeholders without any prejudice, as set by our Whistle Blowing Policy.

Contractors

Contracting organisations are a large part of Company's activities and strategy. It is important that every contracting organisation is compliant with principles of AFI Development's policies as well as laws and regulations.

Company carries due diligence to identify the contracting organisations which are compliant with law in the tender process and only develops business relations with those contractors.

External stakeholders

Code of Ethics is AFI Development's primary framework that sets its principles of interaction with the community and external stakeholders. It values professionalism, excellence and responsibility in the business activities and relationships with customers and the society at large.

Company is set to build a long-term relationship with any stakeholder, founding it upon confidence, integrity and mutual respect. Communities are supported by charitable contributions and ethical business practices which also support long term trust and mutual growth.

Governance

Effective governance structure is crucial for the implementation of the Company's policies, promotion of ethical behavior and consideration of the stakeholders' interests.

As a company listed on the London Stock Exchange and incorporated in Cyprus, AFI Development has developed strong governance mechanisms to be compliant with a range of laws and regulations, such as the UK Corporate Governance Code which is reported annually in the AFI Development's Annual Report.

Board of Directors is the primary governing body of the Company. It reviews and approves every policy and adjusts it to fit the changing market and environment, if necessary.

Contacts

We welcome queries from our stakeholders. Questions regarding the content and application of the present Policy can be forwarded to our specialists in any convenient form, including telephone and e-mail queries. Contact information may be found on the AFI Development company website.

With respect to incidents of violation of the present Policy or suspicion of such cases, please contact the Manager of Human Resources (Anna Anisimova), Whistle Blowing Manager (General Director – Mark Groysman) and/or Chairman of the Audit Committee (David Tahan).

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Approved by the Board on 25 June 2018.