



APPROVED
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PJSC LSR GROUP SUSTAINABILITY POLICY



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Introduction and general provisions

PJSC LSR Group (“LSR Group”) is one of the leading real estate developers and building materials producers in Russia.

LSR Group acknowledges the importance of sustainable development as a key element of business management.

In this policy (“Policy”), LSR Group has set out its position on compliance with the law and adherence to voluntary commitments concerning sustainable development.

Goals and objectives

The main goals and objectives of this Policy are as follows:

- systematizing goals, approaches, types of activity, and commitments in the sphere of sustainable development;
- improving management of all aspects of sustainable development;
- informing stakeholders of LSR Group’s position on sustainable development and corporate social responsibility;
- increasing information transparency and strengthening the reputation of LSR Group as an environmentally and socially responsible company.

Approach and activities

Striving to be a leader in the field of sustainable development among Russian real estate developers, LSR Group carries out its activities taking into account international best practices and the recommendations contained in international standards for sustainable development, including:

- the principles of the United Nations Global Compact;
- the Sustainable Development Goals (adopted by the UN in 2015);
- the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

LSR Group collaborates with its stakeholders in a mutually beneficial, effective, and sustainable way. Taking into account their interests and expectations, LSR Group has focused its sustainable development activities on the following key areas:

1. Providing safe and decent working conditions:

- **Occupational, industrial, and fire safety** – safe working conditions and prevention of situations threatening the life and health of employees; prevention and reduction of employees’ general and professional morbidity; compliance by contractors

with industrial and fire safety requirements when performing work at LSR Group facilities; conducting health and safety audits and inspections.

- **Employees** – appropriate working conditions, stable income, and timely payment of competitive wages; training and provision of opportunities for professional and personal growth; provision of social benefits and social protection for all employee categories; improvement of the corporate culture and incentivization; providing feedback and fostering employee loyalty; protection of human rights.

2. **Ethical business conduct and countering corruption** – upholding the principles of honest, open, and ethical business conduct; preventing corruption and corporate fraud; preventing/detecting/eliminating conflicts of interest; developing fair competition, including by ensuring an appropriate level of transparency/efficiency/objectivity when choosing counterparties and procurement procedures; maintaining the Trust hotline.

3. **Facilitating the development of regions of presence** – improving the quality of life of the local population by creating comfortable and affordable housing; increasing employment in the regions in which we operate; participating in landscaping and in the construction and renovation of infrastructure, including key social facilities; organizing charitable activities (caring for children, orphans, and people with disabilities; protecting socially vulnerable population groups; various cultural projects).

4. **Environmental protection** – rational use of various materials, water, and energy; conservation of biodiversity; prevention and minimization of negative environmental impact, including through reduction of atmospheric pollutants and proper waste management, environmental safety, equipment modernization, and the introduction of advanced technologies, including green construction technologies.

Obligations

LSR Group has committed to the following fundamental obligations:

- complying with legal requirements for sustainable development;
- adhering to its voluntarily adopted commitments;
- increasing information transparency and openness in interactions with stakeholders, and regularly publishing reports on sustainable development;
- taking into account and addressing stakeholders' interests, expectations, and needs, and openly cooperating with them on sustainable development issues;
- taking measures to protect human rights, assess risks, and ensure feedback can be provided;
- implementing best practices, innovative technologies, and modern approaches and methods when managing various aspects of sustainable development;

- taking measures to identify, assess, and minimize sustainable development risks, including accident prevention and ensuring industrial, fire, and environmental safety;
- setting goals and objectives regarding various aspects of sustainable development and implementing measures to achieve them, as well as monitoring their effectiveness;
- ensuring the effective functioning, monitoring, and continuous improvement of corporate management systems and sustainable development management in accordance with international standards and practices;
- raising employees' awareness of sustainable development and ensuring they receive appropriate training on the topic;
- obligating all counterparties operating at LSR Group facilities to comply with legal provisions on sustainable development;
- promoting the implementation of responsible business practices by key business partners;
- implementing this Policy in accordance with LSR Group's other corporate policies and procedures.