

AFI Development – Environmental Policy

AFI Development PLC (together with its subsidiaries – “AFI Development” or the “Company”) fully acknowledges its responsibilities towards environmental protection. The company strives to comply with applicable environmental standards and to ensure that practices across our subsidiaries are aligned with our environmental policy (hereafter – the “Policy”).

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.

Our approach

Our commitment to the environment includes recognition of the principles as set forth in the following national laws, international standards and globally accepted documents:

- Russian Federal Law on Environmental Protection;
- Russian Federal Law on Production and Consumption Waste;
- Forest Code of the Russian Federation;
- Water Code of the Russian Federation; and
- EU Environmental Policy.

Principles

AFI Development follows a set of core principles, based on the international acts and national legislation in the countries of its presence to ensure the most effective environmental compliance. These principles are enforced across the Company as well as applied to any contractor and supplier we engage with.

In our business activities we aim to do the following:

- Promote sound waste disposal methods;
- Strive to reduce our water usage;
- Strive to reduce our energy usage;
- Encourage our contractors to comply with the Policy, in addition we only work with contractors that adhere to environmental law and regulations;
- We continuously develop and refine our environment related principles and approaches.

Implementation

The Policy is embedded into every aspect of the Company’s business activities and is an integral part of our sustainability approach. Following priorities are set in accordance with the international standards and legislations mentioned above:

- Active compliance of the Company and contractors with the effective laws and regulations;
- Building awareness on environmental principles to employees via communication of the current Policy and its updates;
- Internal training on importance of compliance with Environmental Policy;

- Promotion of our principles and commitments on environmental protection to our employees, customers, contractors and other external and internal stakeholders;
- Provision of operational grievance mechanisms to receive, assess and resolve any environmental complaints or queries from any employee without prejudice, as set by our Whistle Blowing Policy;
- Annual review of the current Environmental Policy by the Board of Directors.

The Policy is available online for any stakeholder, as well as in the main office and at each construction site under Company's or its subsidiaries' division.

It is each employee's obligation to ensure adherence to the principles of the Policy. The responsibility for overseeing the Policy's implementation, reviewing the management reports on potential environmental issues, and advising on measures to avoid nonconformity with Environmental Policy is delegated to the Board of Directors.

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 Whistle Blowing Manager (AFI RUS LLC 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.