

APPROVED

By decision of the Board of Directors
of Public Joint Stock Company
"PIK - specialized homebuilder"
27 August 2021, Minutes No. 11

Corporate Social Responsibility Policy

of Public Joint Stock Company "PIK - specialized homebuilder"

1. GENERAL PROVISIONS

1.1 PJSC "PIK SHb" (hereinafter referred to as the Company) is the largest public Russian development company specializing in the implementation of projects for the construction of modern affordable housing and related social and commercial infrastructure facilities. The principal activity of the Company is implementation of development projects in residential real estate sector. The Company is also engaged in investment activities, design and comprehensive project management, production of building structures and materials, and construction.

1.2 Construction industry is associated with a large number of serious risks. In this regard, the high level of responsibility requires that the Company develop its operation accordingly in the areas of sustainable development, as well as the active involvement of the Management in this area. The Company is guided by a set of ethical values in doing business that are recorded in the Code of Ethics and reflect its priorities.

1.3 The Company is aware of its responsibility for economic, social and environmental impacts of its activities and implements a set of measures to contribute to the sustainable development of society.

1.4 The Company voluntarily and proactively assumes corporate social responsibility (hereinafter - CSR) obligations taking into account the interests of all stakeholders.

1.5. CSR is one of the key elements of the Company's corporate governance and makes it possible to strengthen its reputation, reduce possible risks, which, ultimately, contributes to its capitalization.

1.6 The Company makes reasonable efforts to ensure that the fundamental principles and requirements of this Corporate Social Responsibility Policy (hereinafter the Policy) are adhered to by all Group companies.

2. TERMS AND DEFINITIONS

Charitable activity means voluntary activity of the Company carried out without request or expectation of any commercial gain on gratuitous transfer of property, including money, to citizens or legal entities, rendering services, provision of other assistance to support education, provision of social assistance or voluntary activity of a similar nature.

Stakeholders means individuals and legal entities or groups of individuals who influence the Company and its activities and/or who are influenced by the Company.

Group companies means PJSC "PIK Shb" and its subsidiaries.

Counterparty means an individual or a legal entity that is a party to a civil contract with the Company.

Corporate social responsibility (CSR) means a set of principles and obligations applied by the Company in carrying out its activities and aimed at implementing internal and external social programs as related to:

- Stakeholder relationship management;
- Assessment and management of economic, social and environmental impacts.

PIK-Industria means the largest production (construction and assembly) site of the Group companies, consisting of four plants located in Moscow, the Moscow Region, the Tula Region and the Kaluga Region.

Employees of the Company means individuals who have an employment relationship with the Company.

Sponsorship, sponsorship assistance means the Company's voluntary activities on providing assistance, including monetary funds, to citizens or legal entities, rendering services, providing other support, including justification of the goals of sponsorship and results of investment of funds, preparation of a report on expenditures.

Sustainable development means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

3. POLICY GOALS AND OBJECTIVES

3.1 The purpose of the Policy is to establish the fundamental principles and priorities to which the Company adheres in the field of CSR.

3.2 Policy Objectives:

- Highlighting priority areas of the Company's CSR activities;
- Integration of CSR principles into the Company's operations;
- Obtaining additional positive effect of the Company's social activities and increasing the value of its brand;
- Promoting CSR as a philosophy of stakeholder engagement;
- Increasing the transparency of the Company's CSR activities by improving the system of maintaining and presenting non-financial reports.

4. BASIC PRINCIPLES

4.1 In its CSR activities, the Company is guided by the following principles:

4.1.1 Accountability

The Company recognizes the need to publish regular reports on the significant impact of its actions and decisions on society, the economy and the environment. The Company accepts constructive criticism from stakeholders that contributes to the improvement of CSR activities, undertakes to respond to such criticism, and to implement measures aimed at preventing unintended and unforeseen negative consequences and their possible recurrence.

4.1.2 Transparency

The Company strives to ensure transparency of its decisions and activities that affect society, the economy and the environment.

The Company ensures that policies and decisions for which the Company is responsible, including known and likely impacts on society, the economy and the environment, are disclosed in a clear, accurate and complete manner and to a reasonable and sufficient extent. The Company ensures that this information is available to stakeholders to enable them to accurately assess the impact of the Company's decisions and activities on their interests.

The principle of transparency does not imply disclosure of restricted information or the provision of information that is protected by laws, or when its provision may lead to a breach of contractual obligations, security and privacy obligations, or a violation of the law.

4.1.3 Respect for the Rule of Law

The Company observes the norms of applicable international law, the requirements of the legislation of the Russian Federation, as well as the rules of business turnover, follows the principle of the rule of law and equality before the law, making the internal documents of the Company subject to them.

4.1.4 Respect for the Interests of Stakeholders

The Company maintains an ongoing dialogue with stakeholders, regularly identifies, assesses and takes into account the expectations and interests of stakeholders through meetings, surveys, and analysis of stakeholder requests.

The Company is open to discussions with stakeholders on any issues of common interest, creates conditions for such dialogue and strives to reach mutually acceptable solutions.

4.1.5 Ethical Behavior

The Company shall consider ethical the conduct of its employees that complies with the provisions of the Code of Ethics.

4.1.6 Respect for Human Rights

Society respects human rights, recognizing their importance and universality.

5. STAKEHOLDERS

5.1 The Company's relations with the main stakeholders are the scope and the object of CSR management.

5.2. When interacting with stakeholders, the Company proceeds from the following general principles

- **Materiality.** The Company clearly identifies its stakeholders and understands which stakeholder interests are material to it. The Company is committed to constructive, responsive and effective stakeholder engagement.
- **Cooperation.** The Company seeks to find mutually beneficial forms of cooperation that meet the expectations of the Company and stakeholders in order to gain profit and to increase the value of intangible assets.
- **Completeness.** In the course of its activities, the Company will pay attention to the concerns of stakeholders, namely, seek to understand their views, needs and expected performance, as well as their opinions on significant issues.

5.3 When interacting with stakeholders, the Company shall make every effort to meet the needs of stakeholders directly related to the Company's activities and reputation.

5.4 The Company uses a wide range of internal and external communication channels and tools for stakeholder engagement, and aims to continuously develop these channels and to build an open dialogue.

5.5 The Company is aware of the degree of influence its activities have on a wide range of stakeholders and its responsibility to them. When determining CSR priority areas and mechanisms for their implementation, the Company is guided by stakeholders' expectations and seeks to take them into account to the maximum extent possible.

5.6 The Company identifies the following key stakeholders in order to implement this Policy: customers, employees, contractors and suppliers, shareholders, investors, government regulators, industry organisations, local communities and the media.

6. CSR RISKS

6.1 Creating a proprietary CSR culture helps minimize the risks arising from the Company's interaction with stakeholders.

6.2 The most common CSR risks include:

- Reputational risks, i.e. reduction of income due to negative public opinion and decreased confidence in the Company;
- Social and labor risks, i.e. reduction of business efficiency as a result of outflow of qualified personnel, as well as increased social tension in the regions where the Company operates;
- Corporate governance risks, i.e. the threat of a decrease in the Company's value as a result of insufficient quality of work of the governing bodies, lack of clear procedures for relations between shareholders and management, lack of transparency of information disclosure;
- Risks of legal regulation (changes in legislation), i.e. changes in requirements for conducting activities on a wide range of issues;
- Political risks, i.e. a set of political, administrative, national events that can lead to financial and other losses of the Company.

7. ORGANISATION OF THE CSR MANAGEMENT PROCESS

7.1 When Interacting with Shareholders

7.1.1 Investors and shareholders are one of the key stakeholder groups of the Company and influence its operations and stability in the long term. The Company aims at building and maintaining trusting relationships with its investors and shareholders. Special attention is paid to ensuring transparency and efficiency of communication channels with investors, shareholders and ESG analysts.

7.1.2 The Company ensures timely disclosure of reliable financial statements and other information about the Company in accordance with the procedure established by law. Information

transparency of the Company is also ensured by organizing Investor Days, holding non-deal roadshows in foreign countries, holding quarterly conference calls on the Company's operating results, participation of the Company's representatives in investment conferences.

7.1.3 The Company strives to ensure a consistently high level of profitability, economical use of resources, reasonable dividend policy and observance of shareholder rights.

7.2 When Interacting with Customers.

7.2.1 Interaction of the Company with customers is based on the following principles:

- Maximum comfort and service;
- Openness and activity of communications;
- Speed and quality of services;
- Support of clients throughout the entire interaction cycle.

7.2.2 The Company has a Sales Department responsible for customer relations.

7.2.3 The Company is guided by the growing needs of customers, offering quality services as well as service technologies.

7.2.4 The Company strives to provide its customers with reasonable benefit and maximum convenience in service.

7.2.5. The Company actively develops online service channels. One of the Company's strategic objectives is full transition to online customer service and introduction of self-service elements, which allows to significantly save customers' time by reducing the customer flow and queues at physical service points, as well as to reduce the Company's costs.

7.2.6 The Company pays much attention to collection and analysis of customer feedback. For this purpose, regular surveys as well as customer satisfaction surveys are conducted. The Company evaluates customer satisfaction and loyalty.

7.2.7. The Company takes into account and considers all comments, appeals and complaints of customers.

7.2.8 The Company makes every effort to form long-term, benevolent and open relationships with customers, to ensure training and professional development of employees.

7.3 When Interacting with Employees.

7.3.1 The Company is the largest construction company in the Russian market and, as a consequence, the largest employer in the industry.

7.3.2 The Company sets high requirements for recruitment, adaptation, and financial and non-financial motivation of personnel, continuously improving its personnel policy. Implementation of these areas makes it possible to attract and retain competent and highly professional employees, which ensures high quality, safety and efficiency of work performance.

7.3.4 Stable and timely payment of wages is guaranteed to the Company's employees. The Company has a financial incentive system in place, which takes into account employee performance and provides employees with competitive and fair remuneration at the market level. A piece-rate-premium wage system is applied for blue-collar jobs, which directly depends on job performance.

7.3.5 The Company creates decent working conditions with regard to wages, working hours, weekly rest days, and vacations.

7.3.6 The Company strives to create equal opportunities for each employee to develop skills for professional, career growth.

7.3.7 The Company strictly monitors compliance with legal regulations and requirements in the field of occupational health and safety. At PIK-Industria, occupational health and safety results is monitored on a weekly basis by occupational safety inspectors. The results of the weekly inspection are reviewed by senior management of the enterprises.

7.3.8 All employees of PIK-Industria undergo compulsory training on occupational safety aimed at preservation of life and health in accordance with the applicable laws and regulations, as well as annual examination of knowledge of occupational safety requirements by professions and types of work. All production enterprises have information stands installed on safety measures.

7.3.9 In order to minimize the risks associated with the deterioration of employees' health at work, PIK-Industria carries out centralized medical examinations at the time of employment. Each plant within PIK-Industria operates a stationary medical station. On an annual basis, mandatory medical examinations are organized for 100% of employees at mobile posts near the plants.

7.3.10. Each PIK-Industria production facility has designated fire safety officers. All enterprises are equipped with fire safety equipment, a warning system is in operation in rooms where people are present, and contracts have been concluded for the maintenance of fire alarms.

7.3.12. Each accident is registered and analyzed in the Company. Company develops measures to prevent accidents in the future, organizes unscheduled briefings explaining the circumstances of the accident, and takes measures to prevent the recurrence of accidents causing injuries.

7.3.14. The Company can provide social protection in case of reduction or loss of income in case of industrial accidents, illness, maternity, child care, old age, loss of work, disability, provision of medical care.

7.3.15. The Company strives to form an image of an attractive employer, paying attention to work with potential employees.

7.3.17. The Company does not use child labor or any forms of forced labor.

7.4 When Interacting with Contractors and Suppliers.

7.4.1 The Company considers it necessary to build long-term partnership relations with its contractors and suppliers.

7.4.2 The Company strives not to depend on any specific suppliers and to work directly with counterparties without intermediaries.

7.4.3 The Company takes a responsible approach to selection of its suppliers and contractors. The contractor can be accredited before the contract is signed; in the course of work, audits of key contractors are conducted, which include a commission visit to the construction site and an assessment using a special checklist, and the contractor is given a score on a 5-point scale based on the results of its work at the site.

7.4.4 The Company has established and applies procurement procedures. The main principles of procurement organization are efficiency, competitiveness, transparency and fairness. To ensure open and transparent procurement, internal regulatory documents describing the procurement management process and relationships with suppliers of goods and services and contractors have been developed.

7.4.5 Based on the results of each conducted tender, a winner and alternate (reserve) suppliers are selected in case the main contractor fails to fulfill its contractual obligations.

7.4.6 The Company strictly complies with its contractual obligations and professional standards and expects the same from its business partners (counterparties).

7.4.7 The Company builds relationships based on the principles of mutual respect, always welcomes and supports mutually beneficial cooperation, refrains from unwarranted criticism of the counterparties' activities and other conscious actions capable of damaging their business reputation.

7.4.8 In its relations with its counterparties, the Company takes active measures to prevent any manifestations of corruption. In this regard, the Company requires its counterparties to unconditionally adhere to the principles of compliance with anti-corruption laws and mutually maintain a culture that does not allow any unethical business behavior both when participating in the Company's procurement procedures and when doing business with the Company afterwards.

7.5 When Interacting with State Authorities, Public Organizations and Associations.

7.5.1 The Company cares about social and economic development of the regions of its presence and the country as a whole. In the regions of its presence, the Company strives to achieve and maintain the status of the best employer and best partner both in its business activity and in interaction with public authorities and administration, educational, non-profit and public institutions, corporate clients, consumers and society as a whole.

7.5.2 The Company strives to ensure stability of relations with public authorities, government agencies and stakeholders in the field of economic, legal, organizational and other interaction in the regions of its presence.

7.5.3 When interacting with public authorities, government agencies and stakeholders as part of social and charitable programs, the Company strictly observes the principle of combating involvement in corrupt activities.

7.5.4 The Company contributes to the development of local communities and participates in the implementation of important state projects and programs, including through a public-private partnership mechanism.

7.5.5 The Company is aware of the need to cooperate with companies engaged in the construction and related industries in order to develop the industry as a whole. The Company participates in industry associations and communities whose activities are aimed at developing construction and related legislation, increasing the level of self-regulation of the market and improving the investment climate in Russia.

7.6 When Carrying out Charitable Activities.

7.6.1 Charity is one of the Company's corporate values which is regarded as a contribution to the development of society, ensuring social, political and economic stability of the territories of the Company's operation.

7.6.2 Charity is part of the long-term and sustainable development strategy and is fundamentally important in terms of strengthening of the Company's business reputation and developing the internal corporate culture.

7.7 When Providing Sponsorship.

7.7.1 The Company renders sponsor assistance in organization of significant events in the territory of its presence.

7.7.2 The Company gives preference to socially significant activities and projects.

7.7.3 The Company informs the community about key sponsorship projects by posting press releases on the Company's website and in social networks on the official pages of the Company.

7.7.4 The Company does not finance or participate in any other way in charitable and/or sponsorship activities in order to obtain any improper advantages or preferences in connection with its business activities.

7.8 In the Case of Environmental Impact.

7.8.1 The Company considers human life and health as the highest value, strives to treat the environment with care, takes necessary measures to preserve biodiversity and ecosystems, gives priority to preventive measures aimed at minimizing the impact of its activities on the natural environment, human habitat and efficient use of resources.

7.8.2 In case of emergencies, the Company takes measures to localize and eliminate them, to minimize their consequences for the personnel, population and environment.

7.8.3 The Company's environmental protection activities include a set of measures and target programs aimed at:

- Compliance with legislative requirements and standards in the field of environmental safety and environmental protection, timely submission and compliance of environmental documentation with legislative requirements and norms, obtaining necessary permits;

- Introduction of energy- and resource-efficient technologies, modification of production processes to minimize the industrial waste generated, use of secondary resources;
- Planning of activities taking into account assessment and prioritisation of risks of hazardous events that may have an adverse impact on human health, the environment and the integrity of production facilities;
- Reduction of greenhouse gas emissions into the atmosphere;
- Continuous monitoring of environmental indicators and timely reporting to regulatory authorities;
- Conducting training and educational programs for employees on environmental topics;
- Organization of interaction with contractors providing services (performing work) at the Group's production facilities and territories with regard to industrial safety, occupational health and environmental protection, and their involvement in the industrial safety, occupational health and environmental protection management system;
- Preservation of biodiversity and prevention of any negative impact on the environment.

7.8.4 The main priority of PIK-Industria's environmental policy is to minimize the negative impact on the environment.

7.8.5 The main environmental impact and issues related to its protection are managed at the PIK-Industria level. PIK-Industria's environmental management system was certified for compliance with ISO 14001:2015 in 2016.

7.8.6. PIK-Industria pays attention to managing the environmental impact of its operations on the following significant environmental aspects:

- Generation of emissions of pollutants into the atmospheric air;
- Generation of production and consumption waste;
- Wastewater generation.

7.8.7 The Company acknowledges that a significant impact factor of PIK-Industria operations on atmospheric air is the suspension of micro-dust that is generated during cement unloading and processing of reinforced concrete products. In addition, pollutants, such as carbon oxide and nitrogen oxides, are emitted.

In order to minimize the negative impact on atmospheric air, equipment is upgraded, dust suppression systems and other most effective technical solutions in this area are implemented, and strict control is exercised over compliance with the standards within the sanitary protection zone of all enterprises.

7.8.8 In the area of waste management, PIK-Industria pays close attention to compliance with legal requirements, including entering into contracts with regional operators in all regions of operation where the territorial waste management scheme is implemented.

7.8.9 PIK-Industria is careful with water resources that are involved in the technological cycle and used to meet the municipal needs. Water is discharged through wastewater treatment plants, which are installed at all enterprises.

7.8.10 Types of waste subject to disposal are recycled at authorized landfills. At the same time, PIK-Industria has a program to minimize the waste subject to disposal.

7.8.11. The Company participates in environmental projects' financing.

7.8.12. The Company seeks to establish business relationships with partners, suppliers and subcontractors that adhere to strict environmental standards.

7.9 In Emergency Prevention and Response Activities

7.9.1 The Company implements its position in the field of safety of employees and facilities of the Group companies against emergencies (ES) within the framework of implementation of the state policy on security of population and territories from threats of natural and man-made nature.

7.9.2 The Company implements a set of measures to protect employees and facilities of the Group companies, as well as the population and the environment from natural and manmade hazards, aimed at maximum reduction of possible human casualties, threat to life and health of people.

7.9.3 The Company's activities in this area include:

- Use of advanced achievements of applied science, engineering and technology in the field of emergency prevention and elimination;
- Minimizing the consequences of emergencies;
- Open interaction with federal executive authorities (and their territorial bodies), executive authorities of constituent entities of the Russian Federation, local self-government bodies of municipalities and organizations on disaster risk reduction and mitigation.

7.10. When Working on Energy Efficiency and Energy Saving

7.10.1 The Company realizes that rational use of energy resources is an important value on a par with improvement of results of the Company's main production activity, industrial safety and environment.

7.10.2 The Company guarantees that the nature and scale of energy use and consumption is under its control. When planning its activities, the Company pays great attention to energy efficiency and rational use of energy resources.

7.10.3 The Company's energy efficiency and energy conservation activities are carried out in compliance with the following unified approaches and principles:

- Compliance with Russian legislation, applicable international law, Russian and applicable international standards, industry documents and corporate requirements;
- Ensuring metering and control of the efficiency of consumption, as well as losses of energy resources;
- Inclusion of economically feasible new and innovative energy efficient technologies in the Energy Saving Program;
- Taking into account the risk of negative impact of the Energy Saving Program on the Company's key production and financial indicators;
- Monitoring the implementation of measures envisaged by the Energy Saving Program through energy efficiency audits;
- Involvement of all the Company's employees in active participation in energy efficiency and energy saving activities;
- Implementation of the whole economically available and practically feasible set of measures to reduce specific consumption of energy resources at a given level of product output under comparable operating conditions.

7.10.4 PIK-Industria aims to improve energy efficiency and energy saving, for which purpose annual efficiency improvement programs are developed and implemented at production facilities, containing appropriate measures with a feasibility study. For these purposes, statistics on consumption of all types of energy resources, including specific consumption statistics (per unit of output), are kept and a quarterly plan-fact analysis is prepared with comments on the reasons for changes in energy consumption volumes.

7.11. When Interacting with Society as a Whole

7.11.1 The Company considers involvement of business in social tasks as an element of its corporate social responsibility.

7.11.2 As the largest developer in Russia, the Company strives to create a comfortable full-fledged urban environment for its customers by:

- Designing and constructing modern social infrastructure facilities, such as kindergartens, schools, playgrounds, and public spaces;
- Use of durable and environmentally friendly materials in construction;
- Taking into account factors affecting the psychological and physical health and well-being of residents, including creation of a barrier-free and safe environment;
- Interaction with local communities and taking into account the opinion of district residents.

7.11.3. The Company strives to create advanced social infrastructure facilities in design and construction, which take into account the best global practices and use the latest technologies and environmentally safe materials.

7.11.4 The Company is aware that one of the key elements of a comfortable urban environment is the provision of all necessary conditions to maintain the health of residents. Within the framework of the Company's projects, sports grounds and skate parks are being constructed, which creates opportunities for healthy lifestyle of residents, as well as for quality pastime of teenagers. When creating recreation areas, the principle of zoning is applied, which allows different functional objects to be separated and placed at a distance from each other: places for active and relaxing recreation, pedestrian zones and areas for small children.

7.11.5 The Company's projects are focused on creating a barrier-free and safe living environment:

- Entrances to buildings are located at ground level for the convenience of all residents, including mothers with prams, cyclists, people with disabilities and people with low mobility;
- Design of the common areas takes into account the possibilities of natural lighting, and a high level of security is achieved through the use of modern video surveillance systems;
- All entrances to the buildings are equipped with double entrances, which makes it possible to move motor transport outside the courtyards;
- Bicycle parking at the entrances and bicycle lanes are provided.

7.11.6 The Company seeks to maintain the psychological health of its clients living in the neighbourhoods it creates. For this purpose, it uses natural colours of facades, abundance of green plantings in the yards, and differences in the number of storeys for better illumination.

Particular attention is paid to neighbourhood green spaces in accordance with the "courtyard-park" concept.

7.11.7. The Company is aware that about half of its customers are families with children, for whom convenient modern kindergartens, schools, playgrounds and other infrastructure is being created in the neighborhoods.

7.11.8. The Company, as a leader in the application of modern technologies in the design and construction of social infrastructure facilities in Russia, applies innovative acoustic systems in the construction of schools, which provide high-quality sound distribution while reducing the hum of the room, thereby reducing overall noise levels.

7.11.9 The Company actively interacts with local communities and is in constant dialogue with key stakeholders. In the process of communication with the residents of neighborhood units the decisions applied in the Company's projects are adjusted. This process is facilitated by the use of modern technologies, functioning of chat rooms for communication on each housing estate and project.

7.11.10. A toll-free hotline has also been established for appeals to the Company, each incoming message is processed and feedback is given on the results.

8. DISCLOSURE OF INFORMATION IN THE FIELD OF CSR

8.1 This CSR Policy is posted on the Company's website.

8.2 The Company regularly discloses the results of CSR policy implementation to the stakeholders and the general public, including, but not limited to, strives to issue and publish annual reports on sustainable development.

9. RESPONSIBILITY FOR IMPLEMENTATION OF THE CSR POLICY

9.1 Compliance with the Policy principles is part of the corporate culture and is mandatory for all Company employees.

9.2 Responsibility for compliance with the Policy shall be borne by the Company's employees in charge of CSR activities.