



Radius Group Environmental Social Governance (ESG) and Sustainability Policy

ESG Policy Scope

This policy statement applies to all Radius' operations and assets where we have a controlling or management interest. We will seek to support our clients through the design, development and operational phases and to support our supply chain in adopting them where feasible and appropriate. We recognise that risks and opportunities change over time and will vary according to client requirements and needs. This policy has been approved and signed by the Radius executive, however it is acknowledged that this is a 'living' policy and will therefore be systematically reviewed on an annual basis and revised as needed.

Overview

As the leading provider of Class A modern logistics facilities in Russia with a market-leading presence, Radius is uniquely positioned to construct 'best in class' buildings that maximize supply chain efficiency and help meet the needs of domestic consumption-led growth in a more sustainable way.

This ESG policy statement is the key over-arching statement of our commitment to integrating sustainability into the heart of our business practices and is underpinned by our core values and mission statement to "Design, build, finance and operate the finest warehouse and manufacturing real-estate in the markets in which we operate".

The purpose of this document is to build consensus across the business and create a common understanding of our Environmental Social and Governance (ESG) commitments.

This policy document will also help us communicate these commitments to our shareholders, trustees, team, clients, suppliers and communities that we operate in and is meant to establish accountability and collective commitment within the organisation.

This ESG policy statement is one element of our wider sustainability strategy which started in 2014 and will lead us to issue a Sustainability Report in 2018. Our journey is summarised below:

Overview of Radius' ESG + Sustainability Reporting Process



Our Vision

Our vision is to operate to the best international standards and set new construction benchmarks in sustainable warehousing and manufacturing real-estate in Russia; to be recognised leaders in our sector and the developer of choice for our clients.

Our Mission

Our mission is to design, build, finance and operate the finest warehouse and manufacturing real-estate underpinning Russia's modern supply chain, thus strengthening our customers' global connectivity with Russian consumers and building trust. We treat our customers as a community of enterprising people and organizations with unique skills, capabilities and goals. Our community's opportunity to thrive increases in an atmosphere of trust and when decision-making is oriented toward the long-term. We aim to do the right thing by treating every customer relationship and requirement as an opportunity to enhance trust and build something great.

Our Values

Our vision and mission is underpinned by our core values; we believe that these values are essential in integrating sustainability into our core business practices and delivering high performance assets that meet customer needs.



Our Corporate Commitments

- **Ethics + Integrity:** To adhere to the highest standards of personal, professional and business conduct, to adhere to our Bribery + Corruption Policy and our Ethics Code of Practice in all instances, including actual or perceived conflicts of interest with employees or clients. All our employees are required to be made fully aware of these requirements as part of their induction and annual appraisal process, and to fully comply with them. (Ref: Radius Bribery + Corruption Policy and Ethics Code of Practice).
- **Health + Safety:** We are committed to a 'zero harm' approach to all our activities as an employer, as an owner, as a developer and as a manager of property. We are committed to complying with all practicable, legal H+S requirements and other relevant regulation affecting our business activities, we will seek to apply internationally recognised standards to our Russian operations. We will ensure that all our staff, suppliers, tenants and visitors to our developments are made aware of our

requirements. We will regularly review and update our Policies and guidance in the light of good practice. (Ref: Radius H+S Policy for Development and Occupiers).

▪ **Staff Development + Welfare:**

We are committed to providing safe, well managed environment in which our team are, supported by an on-site staff welfare team and facilities who provide full support to the whole team. We are dedicated to training, education and informing all employees about environmental issues which could affect their work whilst promoting environmental awareness amongst employees. We are committed to providing fair employment opportunities, we have in place; social and benefit policy, salary and payment policy and bonus payments policy, whilst have a comprehensive internal complaints procedure, with mid and end of year performance reviews. (Ref: Radius' Employee Induction Manual, Employment Contract)

- **Maximising Supply Chain Efficiency:** We are committed to driving cost based and resource based efficiency from within the supply chain. We have developed relationships not only in Russia but also internationally with close partners in the United Kingdom and America. These relationships help to support us in the delivery of projects to our Clients on programme and budget. (Ref: Supply Chain Charter).

- **Energy Efficiency + Renewables:** Energy efficiency is fundamental to our design and operation process. We are fully committed to optimising energy use in both existing stock and new build developments. We will exceed code requirement where practicable to do so and enter into long term supplier relationships to drive the cost and improve the efficiency of building components used in our developments. We recognise that over the lifespan of the asset, operational considerations are the most significant impact and we will engage all our tenants through the business cycle to consider and adopt current and emerging good practice on energy conservation and efficiency. We will promote building integrated renewable energy systems such as photovoltaics as standard and offer tenants green energy upgrades as part of the annual tenant feedback process. (Ref: Radius' Energy + Renewables Policy)

- **Sustainability Certified New Developments:** We are committed to adopting global best practice in Sustainable Building Certification Systems in the Russian market. Since 2010 all of our developments have been either BREEAM pass or better. Out of these 88% have been certified as Good or above and 63% being certified as Very Good. Radius Group is the first Real Estate developer to have developed a distribution centre which holds both a BREEAM Very Good and LEED Silver certificates. We will continue to promote our commitment to independent third party verification among clients and the wider industrial property sector in Russia (Ref: Radius' Architects Appointment Requirements).

- **Tenants:** we are committed to serving our tenants to the best of our abilities recognising our legal, ethical and fiduciary duties to shareholders, staff and our suppliers. We will maintain an established tenant engagement process, provide tenant guidance on occupancy, a tenant annual performance review and complaints procedure. (Ref: Tenant Guidance Document and Complaints Procedure)

- **ESG Governance:** We recognise that ESG is a leadership issue and we are committed to ensuring responsibility and accountability at the most senior level in our business for engaging our key stakeholders; identifying the materially relevant issues for our business; designing and developing



our ESG programme; integrating it into business operations; reviewing our performance and reporting our performance in an open, accurate and relevant way; reviewing our ESG programme

and making appropriate adjustments. David Simons, Managing Director, has ultimate responsibility and is supported by a team dedicated to implementing and maintaining best practices in ESG including a dedicated Chief Sustainability Officer. We are committed to the following:

- Establish an ESG and Sustainability Task force
- Include ESG and Sustainability Report in monthly management meeting
- Conduct ESG and Sustainability induction training for staff
- Provide a comprehensive list of Policies, Practice and Guidance notes available on Radius Group's website
- Annual Internal Sustainability Statement from 2017
- Annual External Sustainability Report from 2018