

O1 Properties Limited 2020 Sustainability Report

Contents

2020 – WHAT’S NEW?	3
Our Response to COVID-19: Update	3
Environment: Highlights	4
Social: Highlights	5
Corporate Governance: Highlights	5
ABOUT THE COMPANY	6
Our Assets	6
Sustainability Policy	8
Our Key Stakeholders	9
FOCUS ON SUSTAINABILITY	11
Environment	11
BREEAM	11
Promoting Environmental Awareness	11
Resource Consumption	12
Electric Vehicles Charging Stations	14
Waste Management	14
Environmental Compliance	16
Social	17
Employees	17
Society and Customers	21
Corporate Governance	23
Ethics and Compliance	23
Risk Management	24
SUSTAINABILITY PERFORMANCE HIGHLIGHTS	25
ABOUT THE REPORT	27
CONTACTS	28

2020 – WHAT’S NEW?

The coronavirus pandemic had a profound impact on public health, the economy, business and many other aspects of life. Most importantly, it highlighted the relevance of corporate sustainability and social responsibility. In light of this, at O1 Properties Limited (*hereinafter – “the Company”, “O1 Properties”*), we decided to revise our brand strategy, shifting towards a more people-centric approach and reshaping our mission to focus on the value we create for our stakeholders.

We see our mission as:

- Improving our customers’ day-to-day business by providing them with an outstanding office experience.
- Creating comfortable, eco-friendly office spaces that meet international environmental standards.
- Improving the urban environment by creating sustainable public spaces and contributing to local communities by offering diversified infrastructure that is open to the public.

Market Trends

The Moscow office market experienced a downturn in 2020, driven by the global crisis caused by the COVID-19 pandemic. Total office take-up hit its lowest point in the last four years. According to data provided by Colliers International¹, companies are reducing and optimizing the space they occupy, as evidenced by the 3.9 percentage point increase in the overall vacancy rate for class A offices over the past year (from 8.7% to 12.6%). Total demand was 1,016,000 m² in 2020, which is 37% lower compared with 2019.

Key figures for the Moscow office market in 2020

- 18.95 mln m² — Total office stock (including classes A and B)
- 4.52 mln m² — Total class A office stock
- 224.4 thsnd m² — New construction
- 1.016 mln m² — Take-up
- 12.6 % — Vacancy rate for class A offices

The ongoing health crisis and increasing climate risks are transforming many industries: commercial real estate is no exception. Demand for more sustainable office spaces that are environmentally-friendly and energy-efficient continues to rise at pace. On top of that, health and safety concerns took on a vital significance in the property management sector as people started returning to the office post-lockdown.

Sustainability in commercial real estate²

- 40% of commercial property professionals globally believe that occupier demand for buildings with Green Building Certifications has risen in the past year.
- 47% of commercial property professionals globally see that investor demand for green buildings has increased over the past twelve months.

For more information on the Company’s operating environment, please refer to the [2020 Financial Report](#).

Our Response to COVID-19: Update

The safety and well-being of our employees, tenants and contractors has always been, and remains, our top priority. We maintained the safety measures that we introduced at the beginning of pandemic throughout 2020³, and allocated RUB 8 mln to implement additional measures.

¹ Colliers International, [2020 Moscow Office Market Overview](#).

² RICS, [Q3 2020: Global Commercial Property Monitor](#).

³ For more information about the safety measures adopted at the beginning of pandemic, please refer to page 82 of [the 2019 Sustainability Report](#).

At the beginning of March, we adopted COVID-19 response measures and transferred our employees to remote working in advance of official government guidelines. Despite our transition to remote work, we continued to meet our social obligations: not a single employee was dismissed, sent on unpaid leave or asked to work shorter hours with a decrease in pay.

We enacted the following measures at all our business centers during the first wave of the pandemic:

- Distribution of medical-grade face masks and gloves to all visitors, management and reception staff.
- Regular temperature checks of all visitors to our business centers.
- Rigorous disinfection of all surfaces that may harbor the virus (door handles, elevator buttons, turnstiles) every 30 minutes.
- Installation of hand sanitizers at all entrances to business centers.
- Regular disinfection of utilities systems (especially air ventilation systems).
- Placement of support services on standby while continuing to provide all building management services.

All the above measures were reinforced following the introduction of lockdown restrictions. We did not close any of our buildings, even when people began working from home, as our tenants' staff still needed access to their offices. This is why we adopted new policies to ensure the continued safe operation of our buildings. We developed new protocols to help people move around our buildings safely, carried out spot-checks to confirm compliance with preventive measures and regularly replaced ventilation system filters. We vigorously enforced the wearing of face masks in our buildings.

We expanded our voluntary health insurance program and provided our employees with free COVID-19 and antibody tests. Employees could also count on us for medical assistance if they or their family members tested positive for coronavirus. We arranged free medical check-ups and voluntary COVID-19 vaccination for our employees at our office.

Shortly before lockdown regulations were lifted, we drew up a comprehensive strategy for the safe return of tenants to the office. We produced [a video clip](#) demonstrating all the safety measures implemented at our business centers to reassure our tenants that their return to offices would be safe and well organized. Tenants could also use the video for internal communications with their teams. Overall, we used a variety of communication channels to remain in close contact with our tenants and keep them well informed about the operation of our buildings:

- newsletters explaining the key measures introduced at business centers;
- direct communication with representatives of tenants and discussion of the measures introduced;
- information campaigns on O1 Properties' social media accounts;
- special sections on our websites explaining how to access the buildings and the preventive measures in place;
- a video clip about what we are doing to ensure the safe return of tenants to our offices; and
- two video clips providing online virtual tours of our buildings for potential tenants.

2020 showed that, even in challenging and difficult times, we are able maintain our services at the same high level our tenants have come to expect from us and support our employees in every way possible. We are confident that the experience we have gained since the start of the pandemic has made our business even more resilient and adaptable to the changing environment.

Environment: Highlights

- **10** BREEAM certified assets, **20** certifications were renewed in 2020, **all properties** reconfirmed their BREEAM scores
- **RUB 8 mln** allocated to improve the environmental performance of buildings
- Launched a special [website dedicated](#) to our **environmental program**, which had **500** unique visitors and **900** page views at year-end
- Introduced **public EV charging stations** at iCUBE
- Switched to **electronic document management** with **about 80% of contractors**
- Collected **72 tonnes** of recyclable materials
- Collected **4,872 kg** of used clothes for the *Vtoroe Dyhanie* Foundation

- Collected **over 43,000** disposable face masks and **over 16,000** pairs of gloves at business centers
- Won the **Most Environmentally-Transparent Company** award at the [GREEN & HEALTHY OFFICE](#) 2020 awards

Social: Highlights

Employees

- **220** employees, **50%** of whom are women
- **68%** of employees took part in **the inaugural employee engagement survey**
- Average employee satisfaction score: **8.53 out of 10**
- Developed **a talent pool system** and a tailor-made **leadership development program for high-performing managers**
- Organized **Knowledge Days**, a series of educational lectures and workshops for employees
- Upgraded **the voluntary health insurance program**
- Launched **a Chief Executive Officer's blog** to keep employees well-informed about the latest updates within the Company
- Supported **the O1 Properties Yachting Team**
- Launched **Zumba and yoga classes** in the office

Tenants

- Started a **tenant newsletter**: **50%** of newsletters were devoted to **environmental matters**
- Produced a [video clip](#) about the **COVID-19 prevention measures** implemented at business centers, which was viewed **821** times

Social Initiatives

- **RUB 22 mln** allocated for social investments
- O1 Properties became the **office partner of the Russian National Network of the UN Global Compact**

Corporate Governance: Highlights

- Updated the **Code of Ethics**
- **100%** of new and current employees were made aware of the new Code
- Organized **Knowledge Days** dedicated to **ethics and compliance** matters
- Set up an **anonymous whistleblower hotline**
- Held the **first strategy session** to determine the short- and mid-term project goals and KPIs for business units

ABOUT THE COMPANY

O1 Properties Limited (*hereinafter — “O1 Properties”, “the Company”*) is the largest owner of class A office buildings in Moscow and one of the leading investors on the Russian commercial real estate market with a portfolio currently valued at RUB 191.6 billion⁴.

As an investment company, we specialize in the acquisition, development and management of premium class commercial office space in key business districts of Moscow. Today we own and manage 12 operational office centers, 10 of which are BREEAM-certified buildings.⁵

Our portfolio features over 250 tenants, most of them leading Russian companies and multinational corporations, who recognize the value of sustainable properties and help drive our sustainability agenda. O1 Properties has also been a member of the UN Global Compact since 2019.

For more information about the Company and our tenant portfolio, please visit our [official website](#).

Key Statistics in 2020

NRA	<ul style="list-style-type: none"> – 528,000 m² — total – 478,000 m² — yielding – 50,000 m² — development
Market Value	<ul style="list-style-type: none"> – RUB 191,620.5 mln — total – RUB 190,035.1 mln — yielding – RUB 1,585.4 mln — development
Occupancy Rate	– 90%
Average Net Rental Rate	– \$421 m ² /year
WAULT to Expiry	– 3.0 years
Market Share (class A and B+ office buildings)	– 9%
Corporate Credit Rating	– Moody’s Caa3
Tenant Portfolio	– 250 leading Russian and international corporations with exceptionally low credit risks
Net Rental Revenue	– RUB 17,843 mln
Net Rental Income	– RUB 14,333 mln
Ratings and Awards 2020	<ul style="list-style-type: none"> – Forbes: No. 5 largest commercial real estate owner⁶ – GREEN & HEALTHY OFFICE 2020: the Most Environmentally-Transparent Company⁷

For key statistics from previous reporting periods, please refer to pages 16 and 10 of the [2019](#) and [2018](#) Sustainability Reports respectively. More detailed information on the Company’s financial and operational results can be found in the [2020 Financial Report](#).

Our Assets

As part of our ongoing commitment to creating high quality, green and energy efficient office spaces, we continued to enhance the environmental performance of our buildings. A total of 20 BREEAM certificates were renewed in 2020. All our properties have reconfirmed their BREEAM scores.

- [White Square](#): BREEAM certified

Building	BREEAM Part 1	BREEAM Part 2
A	Very Good 58.3%	Very Good 55.6%
B	Very Good 56.1%	Good 54.5 %

⁴ As at 31 December 2020.

⁵ Building Research Establishment Environmental Assessment Method (BREEAM) — an internationally recognized and the most widely used method for assessing environmental performance of buildings.

⁶ O1 Properties is the only company in the top 10 with a 100% focus on office real estate.

⁷ GREEN & HEALTHY OFFICE is an environmental initiative led by MB Solutions in partnership with PwC and the Moscow City Government Department for Renovation.

C	Very Good 60.3 %	Very Good 56.1%
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– **Ducat Place III:** BREEAM certified

BREEAM Overall Score
Very Good 56.48%

– **Legend**

– **Vivaldi Plaza:** BREEAM certified

Building	BREEAM Part 1	BREEAM Part 2
B	Very Good 59.3%	Very Good 65.6%
C	Very Good 55.6%	Very Good 63.9%

– **Lighthouse:** BREEAM certified

BREEAM Part 1	BREEAM Part 2
Very Good 56.4%	Good 45.5% ⁸

– **Stanislavsky Factory:** BREEAM certified

Building	BREEAM Part 1	BREEAM Part 2
1	Good 48.7%	Very Good 61.9%
2	Good 52.8%	Very Good 61.9%
3	Good 52.8%	Very Good 62.4%

– **Silver City:** BREEAM certified

BREEAM Part 1	BREEAM Part 2
Very Good 57%	Very Good 62.4%

– **White Stone:** BREEAM certified

BREEAM Part 1	BREEAM Part 2
Good 48.8%	Very Good 67.2%

– **Krugozor:** BREEAM certified

Building	BREEAM Part 1	BREEAM Part 2
1	Good 50.7%	Excellent 71.6%
2	Good 51.5 %	Excellent 71.6%

– **iCUBE:** BREEAM certified

BREEAM Part 1	BREEAM Part 2
Very Good 58.4%	Excellent 70.9%

– **LeFORT:** BREEAM certified

BREEAM Part 1	BREEAM Part 2
Very Good 56.8%	Very Good 69.1%

– **Greendale:** BREEAM certified

BREEAM Overall Score
Outstanding 88.5%

⁸ Part 2 score was received in January, 2021.

Sustainability Policy

Our sustainability agenda encompasses three main areas — environmental responsibility, where we strive to reduce the environmental impact of our buildings, social responsibility to employees, tenants, partners and local communities, and corporate governance, where we seek to maintain strong governance mechanisms and uphold open and transparent business practices.

Our commitment to sustainable development is reflected in O1 Properties' [Sustainability Policy](#) and complemented by a range of other policies, which together provide the foundation for our sustainability agenda (namely, our [Environmental](#), [Human Rights](#), [Occupational Health and Safety](#) and [Anti-Corruption and Bribery](#) policies).


Our sustainability agenda is guided by the following principles:


- Transparency together with the application of best corporate management practices and international accounting standards.
- Treating employees as partners, supporting their professional development and career growth.
- Caring for and reducing adverse environmental impacts by implementing green standards throughout the design, construction and management of office buildings.
- Promoting healthy lifestyles and team spirit by organizing sports competitions for O1 Properties staff and tenants.
- Helping NGOs, charities and public institutions in their work with disadvantaged social groups, improving the quality of life of those most in need.
- Preservation of historical heritage, patronage of culture and the arts.

Sustainability Governance System	
Responsible Function	Role
Strategy and Development Committee	Sustainability-related matters, ESG risks management and realization of the sustainability strategy
Chief Financial Officer	Implementation of the Sustainability Policy and integration of sustainability aspects into investment and financial decision-making processes
Marketing and Communications Director	Corporate social responsibility matters
Head of Asset Management	Management of environmental initiatives
Tender Committee	Compliance matters
Chief Human Resources Officer	HR matters

As a signatory of the UN Global Compact (UNGC), we are committed to its ten principles of responsible and sustainable business in human rights, labor, non-discrimination, environmental responsibility and combatting corruption. In 2020, we became the UNGC's office partner in Russia: the headquarters of the Russian National Network of the UNGC is now located in the Silver City business center. Providing the best-possible office rental for the UNGC was a crucial step towards expanding our cooperation. We are pleased to be able to contribute to the development of the UNGC National Network and highly appreciate the work it does to promote sustainable business principles.

Throughout the year, we maintained our focus on making a positive contribution to the United Nations Sustainable Development Goals (SDGs) despite the challenges posed by the pandemic. The primary SDGs for our Company are Goal 11 'Sustainable Cities and Communities' and Goal 12 'Responsible Consumption and Production'.

SDG	Target	Our Contribution in 2020
	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	<ul style="list-style-type: none"> • Allocating RUB 22 mln for social investments. • Supporting the Bolshoi Theatre to nurture Russia's cultural heritage and promote Russian performing arts on the world stage.
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> • Investing in environmentally-friendly technologies to reduce consumption of natural resources and emissions, implementing sustainable building management practices as part of the BREEAM certification process. We allocated RUB 8 mln to improve the environmental performance of our properties in 2020. • Developing electric vehicle charging infrastructure at iCUBE business center.

SDG	Target	Our Contribution in 2020
		<ul style="list-style-type: none"> • Launching a website about our sustainability initiatives with a focus on the green buildings program. • Promoting the principles of environmental responsibility among our tenants, starting a newsletter for tenants with information about our environmental projects, promoting environmental awareness in the media and on social networks. • Providing bike racks at all our business centers to encourage tenants and visitors to use sustainable transport options. • Maintaining separate waste collection practices at all our business centers and the Company's office. We collected 72 tonnes of recyclable materials at O1 Properties buildings in 2020.
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	<ul style="list-style-type: none"> • Supporting green recreation areas to increase the biodiversity of public spaces around our buildings. • Supporting infrastructure facilities at our business centers, all of which are open to the public. • Implementing a comprehensive set of measures aimed at stopping the spread of COVID-19 to protect tenants, employees and visitors. • Allocating RUB 8 mln for COVID-19 prevention measures.
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Developing and implementing property-specific environmental policies and procedures. Deploying resource-saving technologies as part of the BREEAM certification process.
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> • Maintaining separate waste collection at our office and at all our properties. • Cooperating with the <i>Vtoroe Dyhanie</i> Foundation and installing containers for used clothing to be recycled or donated to charity at our business centers. We collected 4,872 kg of clothing in 2020. • Installing containers for the disposal of face masks and gloves at all our business centers; collecting over 43,000 masks and over 16,000 pairs of gloves.

Our Key Stakeholders

We aim to build strong partnerships with our stakeholders and make a positive impact for them. We use various communication channels to regularly collect and analyze feedback from all stakeholder groups, engage stakeholders in a wide range of sustainability initiatives and keep them well-informed about our green agenda. Our key stakeholder groups include tenants, employees, investors and partners, lenders and local communities.

Stakeholder Map

Impact Area	Stakeholders			
	Tenants	Employees	Investors and Partners, Lenders	Local Communities
Corporate governance, ethics and integrity	Complying with the UNGC's principles, the Code of Ethics and the Anti-Corruption and Bribery Policy, maintaining a whistleblower hotline, conducting employee trainings on business ethics, enhancing the efficiency and transparency of the corporate governance system			
Sustainable building management practices	Implementing best practices in property management, including green office practices, collecting and analyzing feedback from tenants, engaging with tenants on green offices projects			Maintaining green recreation areas around our buildings, developing public infrastructure facilities at our business centers
	Supporting the O1 Properties Football League			

Impact Area	Stakeholders			
	Tenants	Employees	Investors and Partners, Lenders	Local Communities
Health and wellbeing	Providing a high quality, safe and comfortable working environment at all our offices	Providing a safe and comfortable working environment, developing corporate sports programs (yachting, fitness, yoga and Zumba classes)		
	Implementing COVID-19 response measures at our buildings, developing a strategy for tenants to return to the office, including support through internal communications, installing containers for the collection of disposable face masks and gloves	Supporting our employees during the remote working period, providing free viral and antibody tests, providing medical assistance to employees if they or their family members tested positive for COVID-19		Complying with all COVID-19 prevention requirements at our buildings, introducing additional measures
Environmental performance of buildings	Obtaining BREEAM certification and reducing the environmental footprint of our buildings			
	Promoting environmental awareness, fostering separate waste collection practices, developing an electric vehicle charging infrastructure	Fostering separate waste collection practices at our corporate office		Maintaining green recreation areas around our buildings, developing an electric vehicle charging infrastructure
Talent development		Developing a talent management system, conducting trainings and professional development programs, providing a health and wellbeing benefits package		
Community engagement	Supporting social and charitable projects (Earth Hour, collaboration with charities, the Bolshoi Theater and other projects)			

FOCUS ON SUSTAINABILITY

Environment

We are constantly working to boost the environmental performance of our business centers and make a positive contribution to Moscow's ongoing environmental development and green urban initiatives.

Our [Environmental Policy](#) embodies our commitment to reducing the environmental impact of our buildings and lays down O1 Properties' strategic goals and targets related to environmental responsibility.

In 2020, our environmental program focused on the following areas:

- promoting environmental awareness;
- validating BREEAM certifications;
- reducing resource consumption; and
- installing electric vehicle charging stations.

BREEAM

We are continuing to focus our efforts on enhancing the environmental performance of our business centers and obtaining Building Research Establishment Environmental Assessment Method (BREEAM) certifications for the majority of our assets. BREEAM is the world's foremost environmental assessment method for buildings. It sets advanced standards for sustainable engineering and construction, and enables participants to compare the environmental impact of various buildings.

A total of 10 operational business centers and one under construction with the net square of 564,000 sq.m. (GBA) were BREEAM-certified as of the end of 2020

20 BREEAM certifications were validated in 2020, all our properties reconfirmed their BREEAM scores

BRE launched BREEAM In-Use Version 6 in 2020, the new and improved environmental standard for existing buildings. We are planning to recertify our properties against this new standard, improve our existing scores and update our environmental policies. As a part of our initiative to raise sustainability awareness, we aim to engage our tenants in the certification process.

Next year, we are also planning to obtain certification in accordance with ISO 14001, which sets out the criteria for environmental management systems.

For more information about the Company's approach to BREEAM certification, please refer to pages 58-61 of the [2019 Sustainability Report](#) and our dedicated environmental [website](#).

Promoting Environmental Awareness

Working with the Media and the Professional Community

We want to lead by example and increase our stakeholders' awareness of environmental issues in the real estate sector. We are actively engaged in conferences, industry events, meetings and expert sessions that focus on improving the eco-friendliness of buildings and developing technologies and solutions to create a healthy and productive built environment.

We are proud that our environmental initiatives are being acknowledged. In 2020, we won the award for the Most Environmentally-Transparent Company at the [GREEN & HEALTHY OFFICE](#) awards, an environmental initiative hosted by MB Solutions in partnership with PwC and the Moscow City Government Department for Renovation. GREEN & HEALTHY OFFICE celebrates the best environmental practices for green offices and corporate employee health and wellbeing programs.

We also continue to promote environmental awareness through our social networks and devote two to four posts to this topic every month on [Facebook](#), [YouTube](#) and [Instagram](#).

Increasing Awareness Among Tenants and Employees

Communication

We started sending out a tenant newsletter in 2020 to strengthen our partnerships and increase tenants' knowledge about sustainability matters, and green buildings in particular. Of all newsletters, 50% focused on environmental issues, for example, separate waste collection practices at our offices.

In October, we launched a special [website](#) dedicated to our environmental program. It provides information about our green buildings concept, the latest BREEAM certifications for our buildings and other environmental projects, and features news about our tenants' environmental projects. As of the end of 2020, the website had 500 unique visitors and 900 page views, with 60% of the traffic coming from newsletters. We plan to develop and use the website as one of the main communication channels on environmental and green office matters for our tenants. Next year, we are also planning to release a series of educational videos about the green office concept for our tenants on our website.

Earth Hour

For the ninth consecutive year, we supported Earth Hour, the World Wildlife Fund's initiative that calls on people to switch off the lights and other vital electronics for an hour. This symbolic act aims to raise public awareness about environmental issues.

Vtoroe Dyhanie Foundation

The *Vtoroe Dyhanie* Foundation is a non-profit organization that collects, donates and recycles used clothes. We collected 4,872 kilograms of clothes in 2020 through donation points installed at our business centers.

Resource Consumption

Optimizing resource consumption is key to enhancing the environmental performance of our business centers. Overall resource consumption and waste generation fell significantly in 2020 due to the introduction of lockdown restrictions and remote working.

We did not close any of our buildings when people began working from home as our tenants' staff still needed to access their offices. However, we introduced additional energy efficiency measures to save resources given that our buildings were practically vacant. For example, we installed automated outdoor lighting and touchless faucets in public areas at some buildings and analyzed the occupancy of buildings to adjust the supply and operating hours of ventilation systems. We also continued with our planned replacement of indoor, outdoor and landscape lighting with LED lights.

Responsible resource consumption helps us reduce the carbon footprint of our properties. We are discussing plans to install solar panels at the Lighthouse business center to generate and supply power to our corporate office. Moreover, we intend to conduct an energy audit at the Krugozor and Ducat Place III business centers and draw up new energy efficiency plans based on the results.

Total electricity consumption, kWh

Total electricity consumption fell 16% in 2020 compared to 2019, largely due to the lockdown and absence of tenants and visitors at our buildings. We also introduced the following energy efficiency measures:

- Installed motion sensors in public areas at the Krugozor and LeFORT business centers, and in the fire stairwell and elevator halls at Vivaldi Plaza.
- Switched off tree uplighting between buildings 2 and 3 at Krugozor.
- Reduced the nighttime lighting hours of balconies at White Square, facade and stairway nighttime lighting hours at LeFORT and reduced the lighting hours of outdoor areas, fire stairwells and underground parking at iCUBE.

	Office center	2018	2019	2020	Change, %
1	<i>White Square</i>	19,711,208	21,422,364	17,228,821	-20%
2	<i>Legend</i>	18,912,639	18,872,729	14,697,968	-22%

	Office center	2018	2019	2020	Change, %
3	<i>Ducat Place III</i>	8,486,825	8,051,021	6,670,706	-17%
4	<i>Silver City</i>	10,274,000	10,475,148	8,766,658	-16%
5	<i>White Stone</i>	8,139,744	7,819,691	6,773,992	-13%
6	<i>Vivaldi Plaza</i>	14,414,365	13,349,518	11,727,827	-12%
7	<i>Stanislavsky Factory</i>	11,225,123	9,868,374	8,884,520	-10%
8	<i>Krugozor</i>	9,360,576	9,414,584	8,333,830	-11%
9	<i>iCUBE</i>	2,304,051	1,555,727	1,087,196	-30%
10	<i>Lighthouse</i>	7,556,507	7,158,957	6,132,446	-14%
11	<i>LeFORT</i>	11,659,540	12,399,908	10,794,319	-13%
Total		122,044,578	120,388,021	101,098,283	-16%

Total heating consumption, Gcal

Total heating consumption decreased by 13% compared with 2019 as buildings were vacant for a large part of the year due to the coronavirus pandemic.

	Office center	2018	2019	2020	Change, %
1	<i>White Square</i>	12,053	10,234	8,089	-21%
2	<i>Legend</i>	17,231	16,281	14,014	-14%
3	<i>Ducat Place III</i>	5,026	4,178	3,414	-18%
4	<i>Silver City</i>	12,471	10,264	9,145	-11%
5	<i>White Stone</i>	5,092	4,053	3,666	-10%
6	<i>Vivaldi Plaza</i>	16,945	15,018	13,909	-7%
7	<i>Krugozor</i>	6,826	6,041	4,827	-20%
8	<i>iCUBE</i>	2,602	2,101	1,935	-8%
9	<i>Lighthouse</i>	6,201	5,286	4,887	-8%
Total		84,447	73,455	63,886	-13%

Total gas consumption, m³

Two of our business centers, Stanislavsky Factory and LeFORT, use gas heating. Gas consumption fell by 19% in 2020 compared to the previous year due to the pandemic and remote working.

	Office center	2018	2019	2020	Change, %
1	<i>Stanislavsky Factory</i>	1,539	1,339	959	-28%

	Office center	2018	2019	2020	Change, %
2	<i>LeFORT</i>	1,333	1,124	1,038	-8%
Total		2,872	2,463	1,997	-19%

Total water consumption, m³

Total water consumption dropped by 38% vs. 2019 mainly due to the coronavirus pandemic and the decrease in the number of office visitors. Water efficiency measures in 2020 included the installation of touchless faucets in public areas at the Vivaldi Plaza and White Square business centers.

	Office center	2018	2019	2020	Change, %
1	<i>White Square</i>	96,194	102,516	56,386	-45%
2	<i>Legend</i>	96,512	101,998	71,441	-30%
3	<i>Ducat Place III</i>	25,427	24,110	12,210	-49%
4	<i>Silver City</i>	35,782	37,897	20,688	-45%
5	<i>White Stone</i>	33,405	30,443	16,789	-45%
6	<i>Vivaldi</i>	60,585	64,545	39,423	-39%
7	<i>Stanislavsky Factory</i>	35,181	32,435	16,723	-48%
8	<i>Krugozor</i>	32,538	32,627	19,333	-41%
9	<i>iCUBE</i>	6,943	8,963	5,778	-36%
10	<i>Lighthouse</i>	39,240	39,265	25,266	-36%
11	<i>LeFORT</i>	53,004	57,940	38,584	-33%
Total		514,811	532,739	332,621	-38%

Electric Vehicles Charging Stations

We are developing EV charging infrastructure in response to growing interest in eco-friendly transport options among our tenants. We installed public EV charging stations at iCUBE business center. Stations can charge electric vehicles for a 100 km journey in 30-45 minutes (depending on the type of a vehicle). We are planning to open four new EV charging stations in 2021: at the Lighthouse, Bolshhevik, Krugozor and Stanislavsky Factory business centers.

Waste Management

The total amount of waste generated at our business centers was 1,044 tonnes in 2020, which is 43% lower than in the previous reporting period. This considerable reduction was largely attributable to the absence of tenants in our buildings due to the coronavirus pandemic.

Total amount of waste generated, tonnes

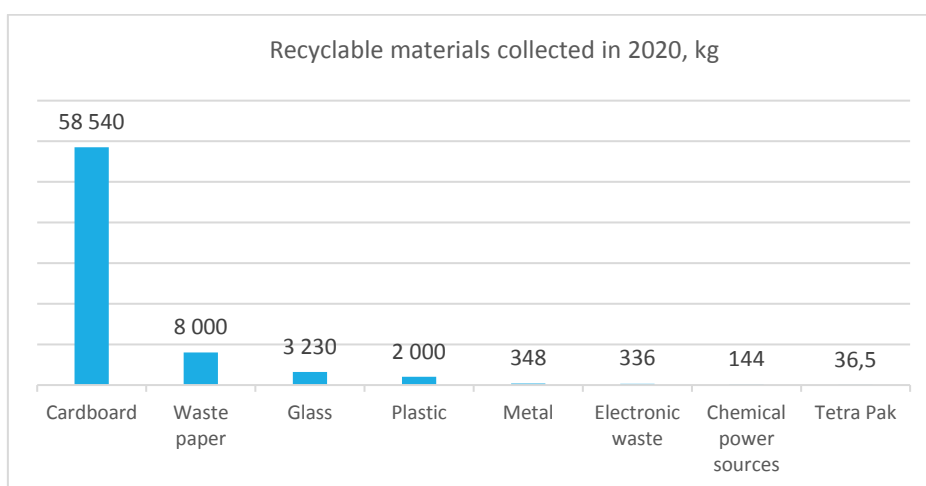
	Office center	2018	2019	2020	Change, %
1	<i>White Square</i>	262	253	179	-29%

	Office center	2018	2019	2020	Change, %
2	<i>Legend</i>	49	62	68	10% ⁹
3	<i>Ducat Place III</i>	105	131	66	-50%
4	<i>Silver City</i>	99	100	63	-37%
5	<i>White Stone</i>	195	230	121	-47%
6	<i>Vivaldi</i>	178	179	105	-41%
7	<i>Stanislavsky Factory</i>	158	123	64	-48%
8	<i>Krugozor</i>	183	177	108	-39%
9	<i>iCUBE</i>	179	237	50	-79%
10	<i>Lighthouse</i>	139	136	69	-49%
11	<i>LeFORT</i>	211	193	150	-22%
Total		1,758	1,821	1,044	-43%

Separate waste management systems are being rolled out across all our properties and at our own office. We will continue to promote the importance of recycling in communications to both our tenants and employees.

Wearing personal protective equipment has been mandatory in public places since the start of the pandemic. We installed separate containers for used face masks and gloves at all business centers to prevent them from littering the environment. As a result, we collected **over 43,000** disposable face masks and **over 16,000** pairs of gloves.

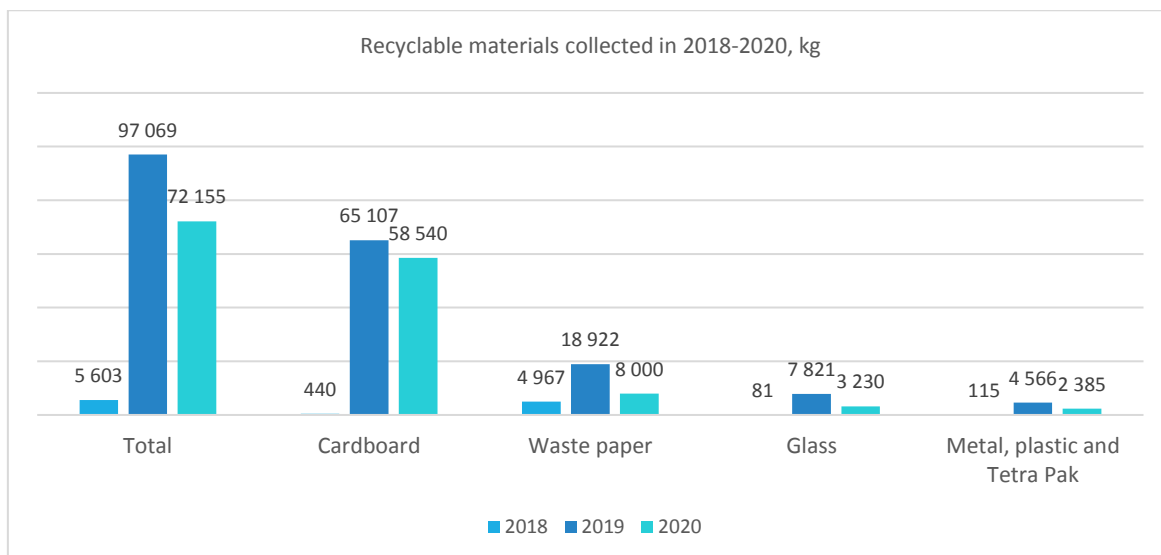
We collected a total of **72,155 kilograms of recyclable materials in 2020**:¹⁰



We also collected **139** printer cartridges and **14,360** light bulbs.

⁹ The increase in the amount of waste generated at the Legend business center was due to renovation works being carried out in one of our tenants' offices.

¹⁰ The amount of materials collected for recycling fell in 2020 compared to 2019 due to the absence of tenants and visitors at our buildings for a large part of the year.



Environmental Compliance

We strictly comply with all environmental regulations. We were not found to be in violation of any environmental laws in 2020.

Total amount of fines paid out due to non-compliance with the environmental regulations, RUB

	Office center	2018	2019	2020
1	<i>Lighthouse</i>	13,337	27,226	0
2	<i>iCUBE</i>	6,739	0	0
3	<i>Krugozor</i>	108,655	0	0
4	<i>Vivaldi Plaza</i>	6,563	0	0
5	<i>White Square</i>	1,811	0	0
Total		137,105	27,226	0

Social

Employees

To retain our position as industry leaders and achieve our sustainability goals, we strive to attract and retain the best talent, take care of our employees' wellbeing and offer a diverse range of professional development opportunities.

As of year-end 2020, we employed 220 people, half of whom were women. Overall, we demonstrated lower turnover rates and a significant decrease in active turnover¹¹ compared to 2019.

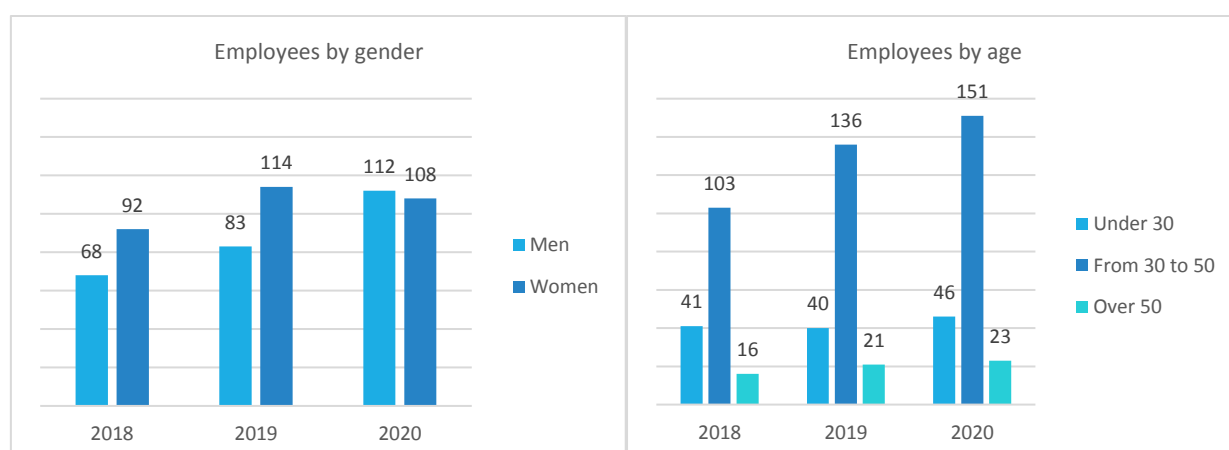
The growth in the number of employees at O1 Properties Management resulted from the expansion of the following business units:

- IT Department as it carries out digital transformation of certain business processes,
- Legal and Financial departments as well as HR Department as its focus shifted from HR administration processes to talent management and employees professional development.

We also created the Real Estate Management Department to oversee O1 Standard (business unit responsible for property and facility management) and enhance tenant engagement.

The number of employees in City Developer LLC increased due to the development of a new business stream — providing technical supervision services for third-party commercial properties.

Our workforce encompasses people of different ages: employees aged from 30 to 50 accounted for about 70% of the team, followed by employees under 30 (21%) and over 50 (10%).



We champion a safe and inclusive working environment and do not tolerate any form of discrimination on the basis of sex, race, color, age, religious creed, national origin, physical or mental disability or any other characteristics that have nothing to do with professional competencies. We had no confirmed cases of discrimination in 2020.

	O1 Properties Management			City Developer LLC			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Employees	136	170	186	24	27	34	160	197	220
Men	48	63	87	20	20	25	68	83	112
Women	88	107	99	4	7	9	92	114	108
Under 30	34	33	36	7	7	10	41	40	46
From 30 to 50	87	119	132	16	17	19	103	136	151
Over 50	15	18	18	1	3	5	16	21	23
Number of new hires	45	64	53	6	6	14	51	78	67

¹¹ Active turnover is the number of people that left O1 Properties despite the Company wanting them to remain.

	O1 Properties Management			City Developer LLC			Total		
Number of employees that left O1 Properties	71	30	30	17	3	6	88	33	36
Turnover ¹²	53.08%	21.69%	16.48%	56.31%	11.84%	21.42% ¹³	54.63%	20.38%	17.14% ¹⁴
Number of preretirement age employees ¹⁵	6	8	7	0	1	0	6	9	7
Number of retirement age employees	5	6	2	1	0	1	6	6	3
Active turnover (number of people)	n/a	23	1	n/a	1	1	n/a	24	2
<i>Men</i>	n/a	7	1	n/a	1	1	n/a	8	2
<i>Women</i>	n/a	16	0	n/a	0	0	n/a	16	0

Helping New Hires Adapt

We adopted the Regulation on Onboarding last year to facilitate a well-planned and structured onboarding process.

We launched welcome trainings to help newcomers adjust to their new workplace smoothly and quickly. These sessions moved online with the start of the pandemic. We also developed an induction presentation, which contains all the information new hires need on their first day, and upgraded the corporate portal to make it a one-stop-shop for the latest company news, corporate documents and employee services.

New hires are invited to complete online questionnaires about the adaptation process throughout their probationary period. These surveys help us measure newcomers' level of satisfaction and further improve the onboarding experience.

We also arrange on-site visits for both new and existing employees to familiarize team with our business centers, key tenants and the green standards implemented at our buildings.

Employee Engagement Survey

Maintaining the best personnel management practices requires a deep understanding of employees' concerns and expectations. To better understand the needs of our employees and collect essential feedback, we conducted our inaugural employee engagement survey in 2020.

The survey consisted of about 70 questions covering the following topics: O1 Properties as an employer, the Company as a place for professional development, the Company's image and services, and several other core aspects. Using a 10-point scale, respondents expressed the extent to which they agreed or disagreed with a statement on a particular topic. 68% of employees took part in the survey.

The results of the survey showed a high average satisfaction score of 8.53 out of 10. Among all the topics, the Company's image and services, management practices in business units and employees' sense of job stability were ranked highest.

Based on employee feedback, we implemented a number of important changes in areas that employees felt needed improvement. For example, we launched the Development, Health and Balance program, which is designed to enhance employees' experience across three dimensions: professional development, health and wellbeing, and

¹² The high employee turnover rate in 2018 and elevated rate in 2019 was due to a change in controlling shareholder and the subsequent departure of a certain number of employees.

¹³ The increase in employee turnover at City Developer LLC was due to changes in management, a restructuring and the completion of several projects.

¹⁴ Does not include intra-group employee transfers.

¹⁵ Pre-retirement age is defined as the five-year period before the statutory retirement age (60 for women and 65 for men).

work-life balance. In 2020, the program focused on expanding the voluntary health insurance policy, introducing new learning and development opportunities, and supporting employees during the remote working period.

To promote an open and friendly culture, we continued developing our internal communications system. Since the introduction of the lockdown regime, we regularly informed employees about the COVID-19 situation and related business updates, provided remote working support, as well as important health and wellbeing tips. We believe that regular communication reassured our staff, helped reduce anxiety and promoted higher work efficiency. Moreover, we launched a Chief Executive Officer's blog to keep our employees well-informed about the Company's latest news and projects.

Talent Management

We understand that efficient planning is the key to strong employee performance. To further improve our performance management practices, we implemented a KPI system at City Developer LLC. We developed a clear set of KPIs designed for key project milestones and aimed at helping project teams better track their progress.

To make sure that our top performing workforce get the attention they deserve, we developed a talent pool system and a tailor-made leadership development program for high-performing managers. Candidates were selected based on an assessment of their potential against a new competency model. Overall, 10 managers were selected for this program. Next year, we aim to roll out the model to give employees a better understanding of what skills they need to have to be top performers and get selected for the talent pool program.

We also plan to automate staff recruitment, budgeting and other HR processes.

For more information about the Company's performance management system, please refer to page 77 of the [2019 Sustainability Report](#).

Learning & Development

Employee learning and development is a crucial part of our talent management system. We encourage our team to grow professionally and firmly believe that training programs are essential for the continuous improvement of their skills and competencies. Striving to offer our employees a wide range of learning and development opportunities, we introduced a number of new training programs.

Managers selected for the talent pool attended a new leadership development program designed by third-party facilitators. During the course, they learnt how to guide a team, recruit new hires and provide feedback.

Remote working did not affect O1 Properties' Knowledge Days, which simply moved online from the beginning of the pandemic. In 2020, Knowledge Days involved a series of lectures and workshops on a variety of topics, including the updated Code of Ethics and health protection measures during the pandemic. We held a total of five Knowledge Days in 2020.

We also embarked on the development of a corporate university, which will allow us to advance the professional and personal skills of our team. Moreover, we are planning to launch a distance learning system and create a library of training courses to improve knowledge sharing across the Company.

Despite the fact that we had to postpone several educational programs that could not be held remotely, the number of employees who received additional training increased by 3.5 times in 2020 – from 16 (2019) to 55 (2020) people.

In 2021, we intend to launch the second stage of the leadership development program, continue developing the corporate university and launch the distance learning system.

For a more detailed overview of our talent management system and learning programs, please refer to page 76 of the [2019 Sustainability Report](#).

Benefits

We offer all our employees a comprehensive benefits package that includes voluntary health insurance (available after completion of the probationary period), a retirement savings plan (available from the first day of employment) and wellness programs.

The results of the employee engagement survey revealed that the voluntary health insurance program needed improvement. In response to employee requests, we upgraded the program by expanding the list of available healthcare providers and the scope of medical services covered. Moreover, employees can now receive approval for

medical services online (with few exceptions for complex services, which require three days for approval). Employees are also encouraged to share their opinions about updated program on the corporate portal.

In addition to complying with all COVID-19 workplace requirements, we made our office a more agile space and created more flexible areas where employees can hold meetings, collaborate, discuss projects or relax.

Health and Wellbeing

Encouraging employees to live healthy and active lifestyles is one of our top priorities in talent management.

To encourage team spirit and support mental health agenda during the pandemic, we launched the O1 at Home project, a regular newsletter that featured stories from our employees about their home office experiences, as well as tips on spending free time at home in a fun and creative way. All employees who needed to visit the office during the self-isolation period were provided with corporate taxis so that they could avoid public transport and thereby reduce their social contacts.

To facilitate the return to the office and help our employees maintain a work-life balance, we decided to extend the hybrid working regime. Employees can obtain approval to work remotely part-time from their manager so long as this does not affect the quality of their performance. This approach has proven to be effective, as it allows employees to maintain the quality of their work performance while giving them more personal time.

We continue to support the **O1 Properties Football League**, the annual championship for the corporate teams of our employees, tenants and partners. Unfortunately, we had to cancel the 2020 season of the League to reduce the risk of COVID-19 transmission, but we hope to reinstate the event in 2021. Despite the cancellation of the event, the O1 team started training again after self-isolation restrictions were lifted.

For more information about the O1 Properties Football League, please refer to the League's official [website](#).

However, we were able to successfully arrange the **Annual Summer Event** following the lifting of some restrictions in the summer. This was a great opportunity for our employees to relax and get involved in some outdoor sporting activities. The event was held outdoors and in strict compliance with all safety requirements. All participants were required to get tested for COVID-19 prior to attending the event.

Some of our employees joined the **O1 Properties Yachting Team** in 2020. They successfully completed theory classes, conducted practical exercises and passed yachting exams. The team continues to practice every week and is planning to take part in competitions in 2021. We also launched **Zumba and yoga classes** in the office twice a week.

Occupational Health and Safety

We adhere to the highest standards when managing our occupational health and safety system. We regularly conduct special assessments of working conditions as prescribed by law.

Our fundamental principles are set forth in the [Occupational Health and Safety Policy](#), which also applies to our contractors. We make sure that all contractors working at our properties meet the most rigorous health and safety standards.

Both O1 Properties Management and City Developer LLC hired health and safety specialists who will further advance the Company's OHS management systems. At City Developer LLC, a health and safety specialist will work to promote an even stronger safety culture and ensure responsible behavior among employees and contractors as this business unit comprises more safety risks due to the nature of its business (construction-related services).

We held a special Knowledge Day to discuss the voluntary health insurance program and its coverage with our employees. Our insurance providers talked about the importance of preventive care and how to access it through the insurance program. Given employees' interest in this event, we are planning to continue this practice in 2021 and invite doctors and healthcare experts.

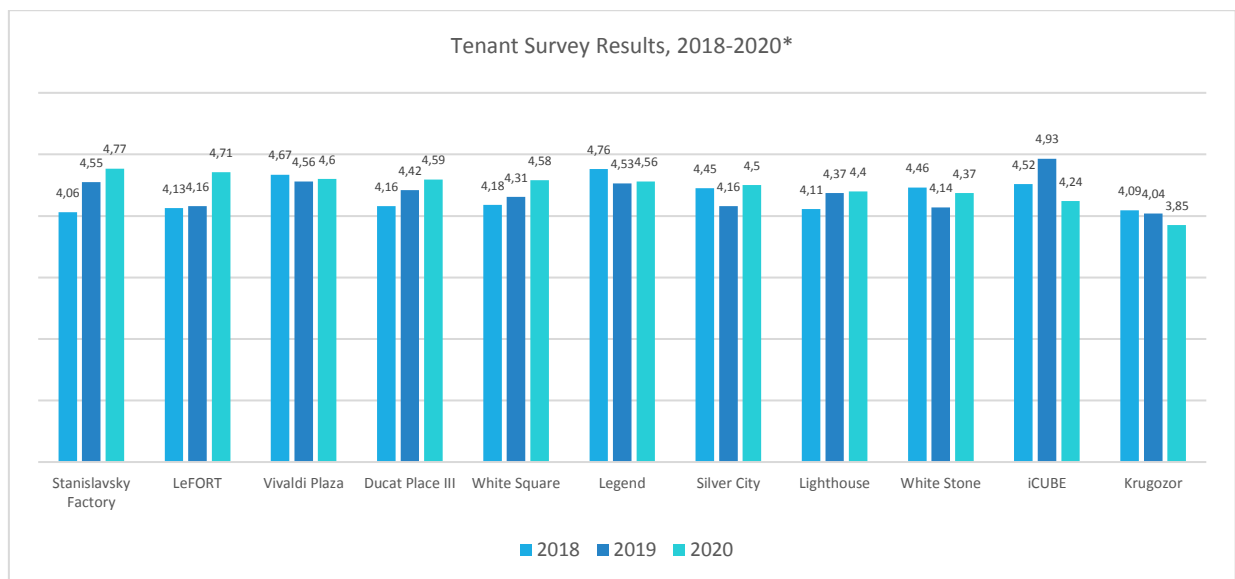
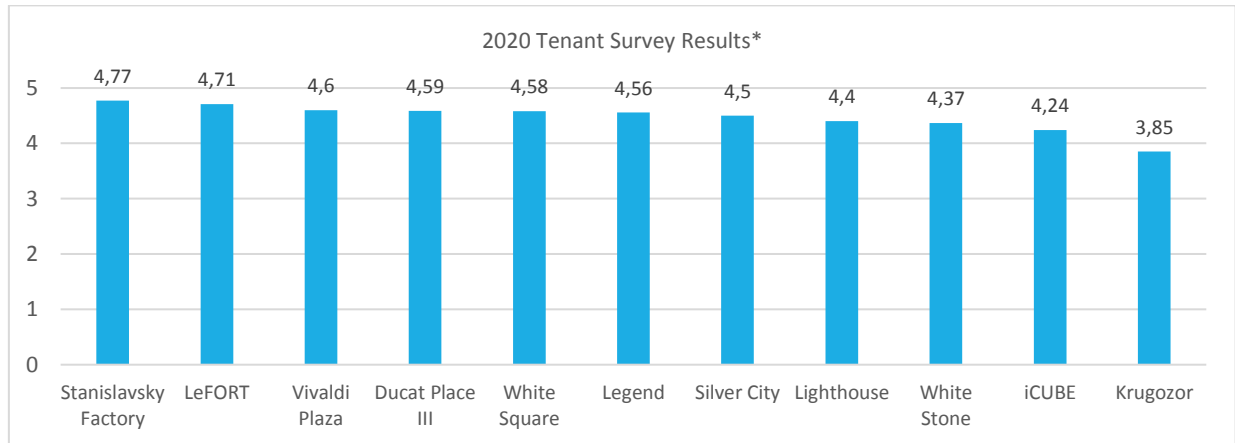
We had no accidents, including fatalities, in the reporting period. All employees completed a mandatory occupational health and safety training as required by Russian law. The majority of workers and contractors also completed online occupational health and safety training.

Society and Customers

Tenants

To ensure that our tenants remain completely satisfied, we conduct regular surveys of their experiences with our buildings. These surveys are anonymous and serve as an opportunity for tenants to provide candid feedback on a variety of topics.

For more details on the survey, please refer to page 40 of the [2018 Sustainability Report](#).



* Score range: 1-5

Reasons for lower average scores in 2020:

- *Legend*: tenants stated that the following areas needed improvement: elevators and ventilation systems.
- *iCUBE*: tenants stated that the following areas needed improvement: cleaning services, ventilation systems, electricity systems (due to occasional power outages).
- *Krugozor*: tenants stated that the following areas needed improvement: the building permit registration system, cleaning services, infrastructure near the building (lack of catering facilities, pharmacies).

Our work plan for 2021 was mainly based on the feedback we received from our tenants.

We included survey questions about our tenants' awareness of our environmental initiatives for the first time in 2020. These questions covered the following topics: BREEAM certification of buildings, the certification's impact on a building's marketability and tenants' interest in the green offices agenda. Overall, the majority of respondents showed good level of awareness and strong interest in our environmental projects.

We are constantly seeking out new opportunities to provide our tenants with world-class working environments. Hence, in 2021, we plan to obtain Fitwel Certification¹⁶ for several buildings, which will serve as a signal that we prioritize health and wellbeing in the development and operation of our properties.

For a more detailed view on the Company's initiatives to raise tenants' environmental awareness, please refer to the Environment section of this Report.

Contractors and Suppliers

We continue to maintain transparent and fair relationships with all contractors and suppliers. The Tender Committee oversees the supplier selection process and ensures its efficiency and impartiality.

We expect all potential and existing contractors and suppliers to comply with our ethical and environmental standards, while comprehensive due diligence is carried out before entering into any relationships with partners.

For more information about the Company's internal policies for interactions with contractors and suppliers, please refer to page 47 of the [2019 Sustainability Report](#).

We are committed to increasing the sustainability of our supply chain. We have adopted procurement policies that support local suppliers and promote sustainable development principles. In 2020, to decrease the environmental footprint of our supply chain, we decided to reduce the number of suppliers we engage by a third and sign framework agreements with several local suppliers for cleaning, electricity and other services. Fewer suppliers means lower emissions from logistics and the transportation of goods. We also switched to electronic document management (EDM) with about 80% of contractors to cut down on paper usage.

For a more detailed view on the Company's environmental program, please refer to the Environment section of this Report.

Social Initiatives

Investment in social initiatives remains a core element of our corporate culture. In 2020, we allocated RUB 22 million for social investments, including HR, sports and charitable programs.

We continued working with the **Byuro Dobrykh Del Foundation**, which provides children from orphanages with career advice and vocational training. We also promote the charity's work on social media.

We also sponsor the **Bolshoi Theater** to nurture Russia's cultural heritage and promote Russian performing arts on the world stage.

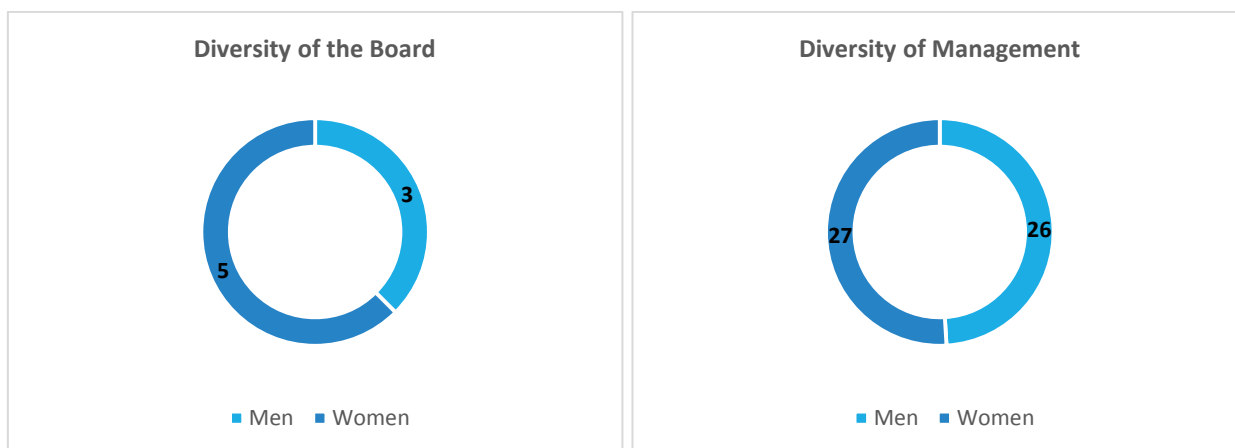
¹⁶ [Fitwel](#) is a commercial building certification system that provides guidelines for healthier workplace environments.

Corporate Governance

O1 Properties remains firmly committed to maintaining robust corporate governance mechanisms and the highest level of accountability. There were no significant changes to the Company's organizational structure in 2020.



The Board of Directors is the highest corporate body responsible for overseeing the Company's activities and business strategies, and enhancing its sustainable value. Our directors bring valuable insights, expertise and competencies to the Board, and ensure the long-term success of our business.



For more information on the Company's Board of Directors, please refer to page 36 of the [2019 Sustainability Report](#).

Ethics and Compliance

O1 Properties has earned the trust of the wider public along with a reputation for building partnerships and making business decisions with honesty and integrity. We updated our **Code of Ethics** ("the Code") in 2020, which provides guidance for our employees, management and directors on ethical matters. Adherence to the Code is mandatory for all employees. The Code also lays down the values that are fundamental to the Company:

- Innovation and a creative approach
- Sustainable development
- Transparency and a stellar reputation
- Responsibility

Recognizing the importance of communicating responsible behavior principles, we organized Knowledge Days dedicated to ethics and compliance matters for all employees. We discussed the updated Code, the importance of business ethics and compliance for the Company, as well as our responsibilities to shareholders and society. On top of that, we launched mandatory trainings for new employees on the updated Code. As a result, 100% of new and current employees were made aware of the new Code.

Employees can raise any concerns they may have and report violations of the Code via an anonymous whistleblower hotline that was set up in 2020. All employees can access the hotline via the corporate intranet portal. Staff members who report suspected violations in good faith are protected from retaliation.

We fully comply with all applicable **anti-corruption** legislation and do not tolerate corruption, bribery and fraud in any form. This approach is enshrined in our [Anti-Corruption and Bribery Policy](#) and the Code. In 2020, 100% of employees completed training on anti-corruption and bribery matters.

We also demonstrate our integrity in our relationships with contractors and business partners. We always conduct due diligence when selecting a contractor or partner and anti-corruption clauses are included in all contracts. There were no confirmed incidents of corruption by employees nor any confirmed cases of corruption in our interactions with contractors during the reporting period.

As a responsible company, O1 Properties upholds fundamental **human rights** and considers equality and fairness as cornerstones of its business. In 2020, 100% of employees received training on the [Human Rights Policy](#). Moreover, we included a human rights clause into contractual agreements with our business partners. There were no human rights violations or incidents of discrimination in 2020.

We deeply respect our stakeholders' right to **privacy** and process the personal data of our employees, tenants, contractors and suppliers with extreme care. We strictly observe local personal data protection laws and have embedded the relevant provisions on personal data protection in our internal privacy policies.

For more information on the Company's approach to ethics and compliance matters, please refer to page 42 of the [2019 Sustainability Report](#).

Risk Management

Our business is associated with risks that include financial, economic, reputational and other risks. To be successful in an ever-changing environment, we continuously improve our risk management system, risk assessment and internal control procedures.

Overall, we have identified four risk groups: strategic risks, financial risks, general business risks and property-specific risks. The latter also includes environmental risks.

Strategic Risks	Financial Risks
<ul style="list-style-type: none"> • Capital markets (refinancing) risk • Property resale (divestment) risk • Country-specific and geopolitical risk • Cluster risk (region/property/size/type) • Market cycle risk • Know-how (technological) risk 	<ul style="list-style-type: none"> • Currency (foreign exchange rate) risk • Interest rate risk • Breach of covenants risk • Tax risks • Inflation risk • Liquidity risk • Leverage risk
General Business Risks	Property-Specific Risks
<ul style="list-style-type: none"> • Risk of legal/taxation changes • Market risk (vacancy, yields, re-lets, oversaturation) • Tenant creditworthiness (bad debts) risk • Information systems and compliance risks • Corporate governance risk • Internal controls risk • Expertise and personnel risk 	<ul style="list-style-type: none"> • Property management risk • Project development risks • Partner risks (JV and NCI) • Property loss (insufficient insurance coverage) risk • Contractual risk (tenants, contractors) • Costing/valuation risk • Environmental risks

During the reporting period, we also switched to a strategic planning approach to define the Company's strategy, priorities and objectives. In line with this approach, we held the first strategy session at which project goals and KPIs for business units were determined.

For more information on the Company's approach to risk management, please refer to page 39 of the [2019 Sustainability Report](#).

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Environmental	2018	2019	2020
Number of BREEAM certified assets	5	11	11
Electricity consumption, kWh	122,044,578	120,388,021	101,098,283
Heating consumption, Gcal	84,447	73,455	63,886
Gas consumption, m ³	2,872	2,463	1,997
Water consumption, m ³	514,811	532,739	332,621
Total amount of waste generated, tonnes	1,758	1,821	1,044
Total amount of recyclable materials collected, kg	5,603	97,069	72,155
Fines, RUB	137,105	27,226	0

Social	2018	2019	2020
Number of employees at year-end	160 ¹⁷	197	220
<i>Men</i>	68	83	112
<i>Men, %</i>	43	42	51
<i>Women</i>	92	114	108
<i>Women, %</i>	57	58	49
<i>Under 30</i>	41	40	46
<i>From 30 to 50</i>	103	136	151
<i>Over 50</i>	16	21	23
Number of new hires	51	78	67
Number of employees that left the Company	88	33	36
Turnover, %	54.63%	20.38%	17.14%
Active turnover	n/a	14.8%	0.97%
Number of preretirement age employees	6	9	7
Number of retirement age employees	6	6	3

¹⁷ We revised the statistical data for 2018 following the separation of O1 Standard as an independent legal entity. The data presented here therefore differs from that in the 2018 Report.

Social	2018	2019	2020
Total number of employees who received additional training	9	16	55
Number of incidents, including fatalities	0	0	0

Governance	2018	2019	2020
Non-Executive Directors	3	4	4
<i>Men</i>	2	3	3
<i>Women</i>	1	1	1
Executive Directors	3	4	4
<i>Men</i>	0	0	0
<i>Women</i>	3	4	4
Management diversity, men:women	16:8	31:18	26:27
Total number of employees who received training on the Anti-Corruption and Bribery Policy	160	197	220
Number of confirmed incidents of corruption by employees	0	0	0
Total number of employees who received training on the Human Rights Policy	160	197	220
Number of human rights violations	0	0	0

ABOUT THE REPORT

This sustainability report discloses how O1 Properties Limited addressed its most material sustainability issues in 2020.

O1 Properties Limited was incorporated in Cyprus on 24 August 2010 as a limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 28 March 2012, the Company was reconstituted from a private limited liability company to a public limited company under the name O1 Properties plc. On 10 July 2012, the Company was again reconstituted from public limited company to a private limited liability company under the name O1 Properties Limited.

This is the third time that O1 Properties is disclosing its non-financial performance results in accordance with Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU (*"the Directive"*). This Report discloses information on the progress we have made and measures we have implemented in 2020 as part of our ongoing commitment to sustainability, as well as our goals and targets for the future.

The design of the Report was prepared by the Everland team. Everland is an organization that provides career and professional growth opportunities for people with special needs.

EU Directive on Non-Financial Reporting

Directive 2014/95/EU on the disclosure of non-financial and diversity information succeeded Accounting Directive 2013/34/EU that required certain large companies to disclose information on the way they operate and manage social and environmental challenges, protect and support human rights, handle anti-corruption and bribery matters and ensure the diversity of the Board of Directors. This helps investors, customers, policy makers and other stakeholders evaluate the non-financial performance of large companies and encourages these companies to develop a sustainable approach to business.

There were no amendments to the Directive in 2020 and it remains effective at the date of publishing of this Report.

Law of Cyprus

On 2 June 2017, Cyprus ratified the Directive, which prescribes reporting of non-financial matters as stated above. Compliance and reporting requirements were incorporated into Cypriot legislation as Art. 151A of the Companies Act (Cap. 113). As a Company incorporated in Cyprus, O1 Properties opted for partial voluntary compliance with said requirements.

Russian Regulations on Non-Financial Reporting

At the time this Report was published, legislation on mandatory non-financial reporting had not been adopted in Russia; however, the draft legislation was publicly available. For this reason, O1 Properties has moved forward and voluntarily reports on sustainability-related information before it becomes a formal requirement.

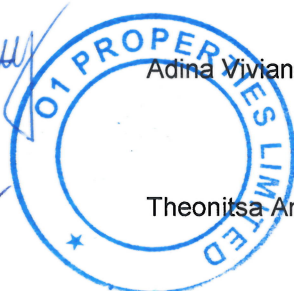
Moreover, despite the voluntary nature of non-financial reporting in the Russian Federation, the Company is required to report on these matters in another jurisdiction, as indicated above.

Director:

Adina Viviana Szemethy

Director:

Theonitsa Andriana Constantinou



CONTACTS

Your opinion is very important to us. We appreciate your feedback and will use it to improve our sustainability reporting. Should you have any questions regarding the Report, please contact Elena Belevtseva, Public Relations Director (belevtseva@o1properties.ru).