



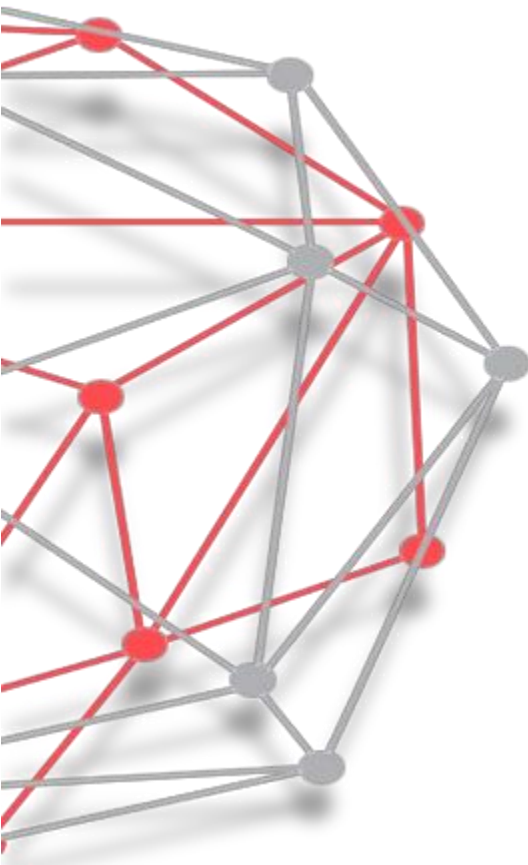
COMPLEX FOR ECONOMIC POLICY AND PROPERTY
AND LAND MATTERS OF THE MOSCOW GOVERNMENT



DEPARTMENT OF INVESTMENT
AND INDUSTRIAL POLICY
OF THE CITY OF MOSCOW



TECHNOPOLIS
MOSCOW
SPECIAL ECONOMIC ZONE



Sustainable Development Report

2021





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Gennady V. Degtev

General Director, Technopolis Moscow SEZ JSC

«Sustainable development remains one of the critical factors of Technopolis Moscow Special Economic Zone functioning as a site for hosting leading high-tech enterprises of the capital».

Sustainable Development Goals (SDGs) of the United Nations are given special attention at the level of the Russian Federation. President of the Russian Federation V. V. Putin instructed Government of the Russian Federation to determine criteria for classifying investment projects as projects that comply with the requirements of the concept of environmental, social and corporate responsibility (ESG) adopted by the United Nations.

Sustainable development remains one of the most important factors in Technopolis Moscow SEZ functioning as a site for hosting the capital's leading high-tech enterprises. Moscow SEZ is one of the first Russian preference treatment territories to adopt the infrastructure site model aimed at achieving the SDGs.

Technopolis Moscow is aimed at forming an innovation ecosystem by providing the most favorable conditions for Russian and foreign high-tech companies to be located at the SEZ territory within the city boundaries.

At the end of 2021, Moscow SEZ hosted 90 resident companies, including 7 with foreign capital.



Technopolis Moscow SEZ actively implements principles of environmentally friendly and responsible development not only by increasing automation of its operating processes but by developing its natural component through landscaping its territory, creating favorable and comfortable conditions, with a focus on compliance of the SEZ sites with the latest climatic and SDG requirements.

Under sustainable development, the Management Company, together with the Moscow City Government, takes measures to improve social and corporate culture, including occupational health and safety, comprehensive personnel development, participates in providing grant financing to investors, favors practicing offset contracts by SEZ resident companies localizing high-tech production in Moscow, to mention but a few.

The ESG agenda is relevant both for the existing Technopolis Moscow sites and for the new territories that are planned to be included into the Moscow SEZ boundaries.



Vladimir Vladimirovich Efimov

Deputy Mayor of Moscow for Economic Policy and Property and Land Relations

«Through Technopolis Moscow area the City Government promotes implementation of the model infrastructure area aimed at achieving Sustainable Development Goals, thus ensuring comprehensive support for entrepreneurs and maximum openness of the area for citizens, investors, small and medium-sized businesses».

Moscow is a dynamically developing city with a diversified sectoral composition of the economy. The capital significantly contributes to the implementation of the 2030 Sustainable Development Agenda adopted by the UN General Assembly in September 2015.

The SDGs include low-cost and clean energy, quality education, good health and well-being, responsible consumption and production, which are being addressed by the Moscow City Government along with the industrial enterprises of the capital.

According to the 2021 evaluation findings of the Munich-based DEEP Ecosystems research center, Moscow ranked second among the largest cities in Europe (ahead of Paris, Berlin and Barcelona) in the Cities of the Future: ESG-Innovation Index Rating, winning first place in the «ESG Public Administration category».



Moscow is guided by SDG indicators in all city projects, including Technopolis Moscow SEZ development - a flagship of the city's new industry, comprising 5 production sites. The capital provides a wide range of premises and land plots for opening a business on favorable terms depending on location, area and other investor needs.

Through Technopolis Moscow area the City Government promotes implementation of the model infrastructure area aimed at achieving Sustainable Development Goals, thus ensuring comprehensive support for entrepreneurs and maximum openness of the area for citizens, investors, small and medium-sized businesses.

The Moscow City Government is committed to the President's initiative to provide state support measures to those project participants who meet the Environmental, Social and Corporate Responsibility (ESG) concept requirements.



Vladislav Anatolievich Ovchinsky

Head of the Department of Investment and Industrial Policy of the City of Moscow

«Moscow has been actively involved for years in the United Nations SDG agenda. Today, the capital has ensured accomplishment of goals related to decent working conditions and economic growth, quality education, ecology, infrastructure development, and gender equality».

Moscow authorities are interested in growing number of companies involved in the UN Global SDG Agenda and providing them with comprehensive support.

Priority is given to more compact, high-tech production facilities. They are designed to comply with the latest environmental principles and create new jobs that attract highly qualified personnel. Most of such companies are concentrated at five sites of Technopolis Moscow SEZ.

The capital is persistent in improving its methods to minimize adverse industrial impact on the environment, while maintaining the city's development as one of the country's leading manufacturing regions.

Moscow enterprises not only provide necessary goods to the agglomeration residents and employ more than 700 thousand people, but also develop high technologies. After all, it is in the capital that the country's leading technical universities, research organizations and modern industrial production facilities are located.



In 2021, according to the report by the Organization for Economic Cooperation and Development (OECD), Moscow achieved 100% of the six SDGs - quality education, gender equality, affordable and clean energy, decent work and economic growth, industrialization and combating climate change.

The capital became part of the OECD pilot project «Territorial Approach to the Sustainable Development Goals».

Construction and support of environmentally friendly production facilities is a priority for the city, and Moscow has created comfortable conditions for localization of environmentally friendly production facilities within the city. Today, such companies have access to more than 20 integrated support measures.



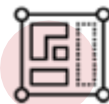
About SEZ



The city of Moscow is the leading region in Russia to implement Sustainable Development Agenda starting from 2019. Technopolis Moscow SEZ is one of the key centers aimed at developing innovations directly in the urban environment, creating conditions for the deployment of high-tech enterprises, taking into account all requirements for infrastructure equipment with responsible attitude to environment and local community.

SEZ is a leader in terms of localization of enterprises in the region of presence, investment attraction in Expert RA ratings, rating of the Ministry of Economic Development of Russia, foreign ratings for FDI Intelligence.

Technopolis Moscow SEZ management company's main activities include creating conditions for the development of innovative products based on the latest achievements of science, technology and engineering, as well as placing investors in the SEZ, leasing out premises and land plots.



223,3^{ha}

Total SEZ area



>75

Bln Rub.
amount of private
investments made



90
>200

residents
companies in total



> 8,5
>12

ths. workplaces
of the residents
ths. workplaces in total



Sustainable Development Goals in the Management Company's Operations

Technopolis Moscow SEZ business model provides for the SDGs, is focused on stable growth and long-term financial sustainability, in line with global economic challenges and sustainable development imperatives, and takes into account investors' expectations.

The Management Company implements projects for construction, development of engineering, transport, innovation and other infrastructure that comply with the ESG principles, including projects aimed at reducing carbon footprint, digitalization of infrastructure sites included in the SEZ, responsible consumption and production, development of social capital, including quality education, health and well-being.

With a view to developing its investment potential, the SEZ Management Company is a member of the two Russian associations, i.e. the Association of Clusters, Technoparks and SEZs of Russia and the Industrial Parks Association, as well as a member of the International Association of Science Parks and Innovation Zones (IASP). Our SEZ entered the Global Free Zones of the Year world rating of the fDi Magazine English edition by winning the industry nomination «Development of Medical Technologies and Pharmaceuticals Related to COVID-19».

Progress towards the SDGs, combined with the SEZ preferences, expands the scope of opportunities for increasing productivity, developing and marketing new products and customized products (new services), and collaborating effectively with stakeholders in the supply chain.

The management company is developing a unified SEZ ecosystem, including consulting, infrastructure, transport and logistics, as well as digitalization of its work processes.

Investor support and assistance is provided through rendering the following types of services:

- ☐ consulting on the issues of obtaining SEZ resident status;
- ☐ legal support in property relations;
- ☐ business services, including transportation, handling, construction and operation services (including Built-to-Suit), logistics and warehousing services;
- ☐ electrical measuring laboratory services;
- ☐ promotion and advertising;
- ☐ staffing;
- ☐ lease of congress and exhibition space;
- ☐ development of the individual concept of customs privileges and support for the operation of the customs control zone at the resident's premises.



In general, the Management Company's activities directly or indirectly affect the following SDGs:



In particular, the Management Company's specific activity based on interaction with economic entities, i.e. SEZ residents, determines prospects of achieving SDGs as follows:



In 2021, the Management Company *has digitized and transferred to a one-stop-shop mode more than 150 services*, which were availed by SEZ residents and tenants over 2,000 times. Since mid-2021, when the electronic document management system was put into operation, it has been used by *95% of the SEZ residents*.



Industry clusterization within the SEZ territory facilitates industrial cooperation and promotes sustainable consumption and production;

The Management Company contributes to development of the value added chains. A number of SEZ residents (Nanotechnological Composites Center OOO, Angstrom AO, ZITC AO, Mikron PAO) are members of the Moscow Composite Cluster, Zelenograd Innovative Territorial Cluster, medpharmcluster.



The base department of the Moscow State Educational Complex (MSEC) will contribute to meeting the needs of the medpharm cluster in mid-level specialists. In 2021, the department began training biotechnology production operators to meet the needs of the pharmaceutical and biotechnology industry.



As a leading center for the development of innovations in the urban environment, Technopolis Moscow SEZ treats creation of the independent, self-sufficient system of manufacturing in-demand, high-tech industrial products that meet high environmental safety standards as a strategic priority, while implementation of the offset contracting system is aimed at covering needs of the region of presence in necessary and critically important goods.



Sustainable Development Management

SEZ Mission: We unite efforts of business, scientific and educational community, government, and international partners in the interests of developing new high-tech sectors of our domestic economy.

SEZ Vision: We are guided by the principles of openness and transparency, take into account interests of all stakeholders (investors, authorities and Moscow city dwellers) and continuously improve our corporate governance practices.

Investment in human capital, ensuring decent and safe working conditions, improving social environment and quality of work at the sites of the Technopolis Moscow SEZ, minimizing negative environmental impact are as important to us as successful operational and financial performance.

In this context, building a sustainable development management system based on responsible decision-making, transparency of information about the Management Company and consideration of the stakeholders' interests comes to the fore.

The Management Company takes a strategic approach to the implementation of social and environmental projects. Integration of the ESG-principles into the Management Company operations is one of the priorities.



Strategic Vision for Sustainable Development

Technopolis Moscow SEZ as one of the key elements of the ecosystem formed by the Moscow City Government to support high-tech manufacturing companies understands and recognizes its responsibility in the paradigm of sustainable development in the region of its presence.

Taking into account close interconnection of environmental, social and management factors in shaping sustainable development agenda, the SDG promotion is one of the priority areas of the Management Company's activities.

Strategic Guidelines

of the Management Company include the following sustainable development areas:

- ☐ Assessment of ESG risks and opportunities;
- ☐ Mission and strategic vision for sustainable development;
- ☐ ESG reporting;
- ☐ Sustainable development management systems and practices;
- ☐ List of bylaws and declarations for sustainable development;
- ☐ Prospect outcomes and indicators for the achievement of the SDGs.

Strategic Vision of the Management Company is based on the following priorities:

- ☐ Creation of favorable conditions for sustainable development of high-tech sectors;
- ☐ Attracting Russian and foreign investment into the Moscow economy;
- ☐ Formation of the ecosystem for sharing best practices of the innovative potential of companies through cooperation and development of local communities;
- ☐ Improving efficiency of existing and perspective assets;
- ☐ Engaging the next generation in the city's manufacturing culture.

In our annual Sustainability Reports, we communicate progress on our strategic sustainability priorities, as well as update benchmarks for achieving global SDGs.



Key Events and Indicators

In 2021, based on the ESG audit findings, we launched publications of non-financial and disclosure reports of the Management Company's ESG Data, highlighting ESG progress in our annual sustainability reports.

ESG Data of the Management Company are formed in accordance with the Standard of Non-Financial Reporting Disclosure for infrastructure sites (industrial parks, industrial technoparks, special economic zones, territories of advanced socio-economic development) recommended for discretionary use by the Ministry of Economic Development of the Russian Federation.

ENVIRONMENTAL



111 electric scooters are available for free use by employees of the management company, SEZ residents and tenants



0 Atmospheric air samples, non-compliant with the hygienic standards
Atmospheric air quality were taken by automatic environmental monitoring station (AEMS)

SOCIAL



446 persons was the Management Company headcount by the end of 2021



39% is the share of women in the Management Company personnel

GOVERNANCE



417 results of protected intellectual activity (RIA) were created and (or) used by the SEZ residents



2145.02 Mln Rub. of the R&D investments incurred by SEZ residents



Environmental Policy

The Management Company is dedicated to mitigating adverse environmental effects through enforcing the following principles:

- strict compliance with the requirements of the environmental legislation of the Russian Federation;
- rational use of natural resources;
- regular implementation of environmental projects and activities.

The Management Company identifies 6 out of 17 priority SDGs as most relevant for the Environmental direction:



Air Quality



The atmospheric air quality is essential to ensure health and well-being of our employees, residents and city dwellers, therefore we strive to minimize emissions of pollutants into the atmosphere, carry out activities aimed at greening our territories, which indirectly affects air quality.



AAPCS provides the following functionality:

- measures the level of atmospheric air pollution by the main pollutants;
- controls basic meteorological parameters;
- transmits the received data via radio channel to the data collection and processing center.

Atmospheric air quality is checked using Automatic Atmospheric Pollution Control Stations (AAPCS). Over 2021, there were no air samples that failed to comply with hygienic standards.



Technopolis Moscow widely employs electric transportation:

electric scooters, electric cars, electric cars, electric bus. These types of transportation are technologically advanced and environmentally friendly due to the absence of internal combustion engine.



111 electric scooters make up the SEZ's scooter fleet in 2021

21 electric charging stations are located in the SEZ territory

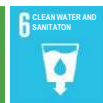


1500 employees of SEZ and resident companies joined our free electric scooter rental system

3000 hours per month the employees use electric scooters

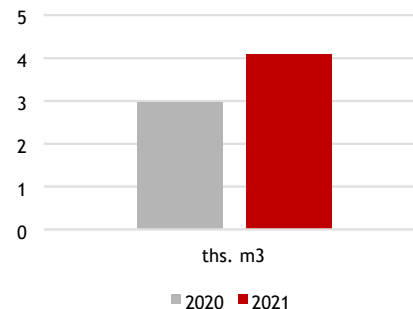
200 ha is the SEZ area where employees can travel by electric vehicles

Water Resource Management and Sanitation



Although the Management Company does not operate in water scarce regions, we strictly comply with regulatory requirements to improve water efficiency.

Total Water Consumption



*In 2021, the volume of water consumption amounted to **4.09 ths. m3**, which is 37.7% (or 1.12 ths. m3) more than in the previous period. Relatively low water use in 2020 is attributed to shifting some employees to telecommuting during the COVID-9 pandemic.*



Water consumption in terms of net value added in 2021 amounted to **0.0000034 m3/Rub.**, which is 0.0000017 m3/Rub. less than in 2020.



Providing the Management Company's employees and residents with proper working conditions is one of our priorities, so all employees use safely organized sanitation services, including hand washing facilities with soap and water.

100 % of the Management Company's employees are provided with proper sanitary and hygienic means.

Management Company carries out its activities in accordance with the norms of the current legislation within the framework of the waste water discharge contract, under which the Management Company is a transit operator for GUP "Mosvodostok" and JSC "Mosvodokanal".

MIET SEZ site maintains its proprietary wastewater treatment facilities to treat wastewater generated by SEZ resident companies.



Waste Management



The Management Company strives to reduce specific indicators of waste generation, especially those related to the hazardous waste category. For this purpose, recyclable waste collection sites are organized and scientific and educational activities are carried out to promote reuse and recycling of waste among the Management Company employees and residents.

Pursuant to the "Instruction on Waste Management in the Company", the garbage collected in the course of the economic activity is accumulated and removed as follows:

Hazard Class 4-5 - daily, including by request;

Hazard Class 1-4 (not subject to recycling) - quarterly, based on requests from structural subdivisions.

95 % waste generated at the sites is solid municipal waste.

All Management Company's business processes are being converted to electronic format, including Customer Relationship Management System (CRM) and electronic reporting system.



Total waste for 2021 was **3,356 tons**, an increase of 3,172 tons from 2020.

The Management Company's waste generation per net value added in 2021 is 0.0000025 tons/Rub. more than in 2020.

For reference: in 2021, the turning track was cleaned at the Pechatniki SEZ site, which generated 3,081 tons of hazard class V construction waste. This was a one-off event, however, the value of the total waste volume for 2021 was higher than for the similar periods.

Waste reused, recovered and recycled

Scrap and paper generated in the course of the Management Company's activities are sent for recycling. The volumes of reused, recovered and recycled waste tend to decrease both in relation to the total volume of waste and the previous year's figure.

In 2021, **0.8 tons** (0.02% of the total) of waste was transferred to recycling, a 7.46% decrease from 2020.

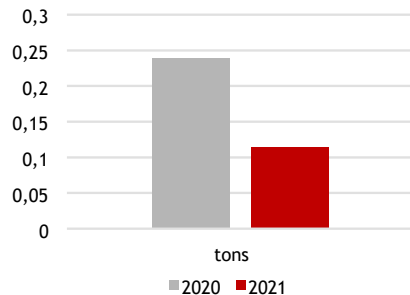
The Management Company conducts activities aimed at increasing waste reuse and provides employees and residents with the necessary infrastructure for separate waste accumulation.

The Management Company participates in social and environmental campaigns like “Kind Things” and “Kind Caps” aimed at recycling and reuse of things and materials.





Hazard Waste



In 2021, 0.114t of hazardous waste is generated, which is 0.125t less than in 2020.

In 2021, the Management Company launched a plan to phase out mercury lamps (Class I hazardous waste) in favor of LED lighting sources.

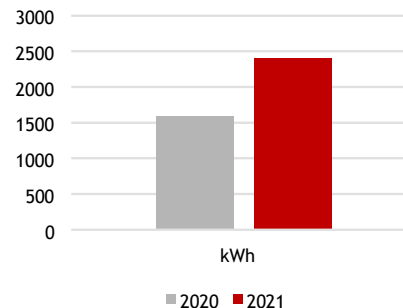
Energy Efficiency



The Management Company is committed to rational consumption of energy resources and reduction of greenhouse gas emissions.

Energy efficiency is one of our priorities, so we actively implement energy-saving technologies in the Management Company's activities, thus contributing to the decrease of the electricity unit consumption.

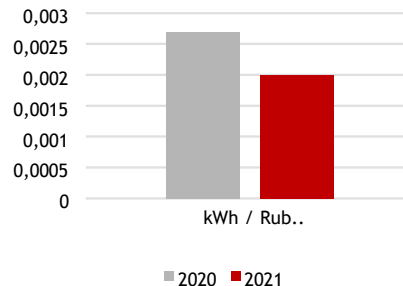
Total Electricity Consumption



In 2021, electricity consumption amounted to **2404** thousand kWh, which is **820** kWh more than in 2020.

Upward trend in the indicators is due to the new SEZ area commissioning.

Electricity Consumption per Net Value Added



Electricity consumption in in terms of net value added in 2020 and 2021 amounted to **0.0027** and **0.002** kWh/Rub. respectively.

A trend towards an increase in specific energy efficiency is a result of energy-saving technologies application and energy consumption metering.



Accounting for external risks implies a planned increase in electricity and heat prices, and as such it is included in energy efficiency measures.

In 2021, energy inspections and energy saving works were regularly carried out.

Energy Efficiency Measures:

- ☐ transition to LED lighting sources;
- ☐ equipping premises with motion sensors;
- ☐ timely reconstruction of buildings and structures;
- ☐ ReGen Drive elevators with electric power generation mode commissioning

Transport Infrastructure

Developed transportation infrastructure is one of the SEZ advantages. Our residents, employees and other stakeholders appreciate not only the well-developed road network within the territory, but quality of the road surface and road safety, due to strict compliance with existing regulations.

*The total length of SEZ motor roads is **11.69 km***

Conservation and rational use of biological diversity and ecosystems



The Management Company participates in programs aimed at the conservation and rational use of biodiversity by allocating funds for greening and landscaping activities at SEZ sites.

Environmental projects of the Management Company that have a targeted environmental purpose:

- ☐ waste collection and disposal;
- ☐ ecomonitoring;
- ☐ digitalization of business processes (reduction of the share of paper carriers and transition to electronic digital carriers);
- ☐ cleaning of SEZ territories from garbage;
- ☐ promotion the environmental protection concept.

Environmental expenditure of the Management Company on biodiversity conservation and protection of natural areas in 2021 amounted to **296,408 Rubles**.



In April 2021, the Management Company employees took part in a city cleanup day as part of the Environmental Knowledge Day. The employees cleaned the territory from garbage, renewed benches and stairs, painted crosswalks.

The traditional spring event was attended by 80 people.



A Flower SWAP, i.e. an event where the employees and SEZ residents exchanged plants, was organized in May 2021.

A birch alley was also planted during the event.

The SEZ residents took part in greening the territory of their production sites.



Effective Environmental Governance

Reducing risks of accidents and incidents, controversial environmental situations that may cause environmental damage, implies careful monitoring of the environmental issues.

In 2021, no accidents and incidents, controversial environmental situations that caused environmental damage were recorded in the SEZ territories.

The Management Company takes an active part in the activities aimed at adapting the city of Moscow to climate change as part of the regional climate agenda.

The Scientific and Technical Council (STC) of the SEZ has initiated a pilot project on adaptation of the megacity to climate change, which is to be launched at the SEZ sites.

The initiative was presented at the “International Climate Dialogues” conference held from November 23 to 25, 2021 (organized by the Moscow City Government).

As part of the preparation of the STC proposals for the pilot project implementation, meetings were held with the head of the State Unitary Enterprise “MosEcoMonitoring” (Department of Nature Management and Environmental Protection of Moscow) and a member of the working group for the preparation of the Moscow City Climate Change Adaptation Plan.



Social Policy



The social aspect of the Management Company's activities includes prospects of professional self-realization of the employees, building a self-learning and self-developing environment, unlocking potential of the team interaction, effective use of professional and personal potential of the employee by identifying his/her individual abilities in the process of labor activity, ensuring comfortable and safe working conditions.

The Management Company is based on the values as follows:

- ☐ **Development.** We aim high, expand competencies, take initiative;
- ☐ **Trust.** We value the trust of those who work with us;
- ☐ **Partnership.** A constructive dialog with our partners makes our projects and services better;
- ☐ **Team work.** We value team members, their competence and experience;
- ☐ **Transparency.** We opt for information openness, we believe that a feedback is an incentive for business activity and reputation building.

The Management Company identifies 8 out of 17 priority goals, which are the most relevant for the Social direction:



Social policy activities are focused on the six key areas:

- ☐ gender equality;
- ☐ human capital;
- ☐ employee health and safety;
- ☐ access to banking, insurance and financial services;
- ☐ openness, security, resilience and environmental sustainability;
- ☐ effective social governance.

We are convinced that timely and reliable coverage of significant news and events related to our activities is the key to building trust in SEZ as a reliable business partner and socially responsible organization.



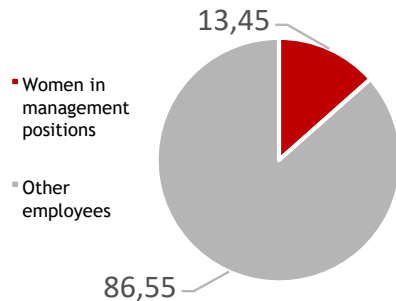
Gender Equality



Gender equality is an important component of the society, ensuring peace and harmony, as well as full realization of the human potential on the basis of sustainable development.

Equality of opportunity and treatment in labor and employment is an important aspect of the general principle of equality.

Share of women in management positions
(in % of total number of employees)

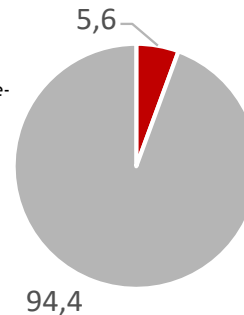


The Management Company provides male and female employees with equal career opportunities within the organization.

*At the end of 2021, the share of women in management positions amounted to **13.45%** of the Management Company's personnel.*

Employment rate of women with pre-school children (as a % of total number of employees)

- Women with children of pre-school age
- Other employees



Career opportunities and prospects for employees, especially women with dependent young children, are among the most important challenges for equality in society.

5,6 % employees (25 persons) of the Management Company are women with pre-school children.

In pursuing its social policy, the Management Company adheres to the principles of gender equality and is not involved in discriminatory practices, such as search, selection, recruitment and job protectionism of employees on the basis of gender.

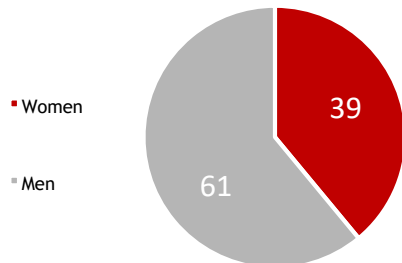


Human Capital



People are our core capital, comprising the combined competencies, knowledge, skills and experience of all employees.

Employment by gender
(as % of the total number of employees)



At last 2021, the Management Company employed **446 people**, of which **272 were men** and **174 women**.

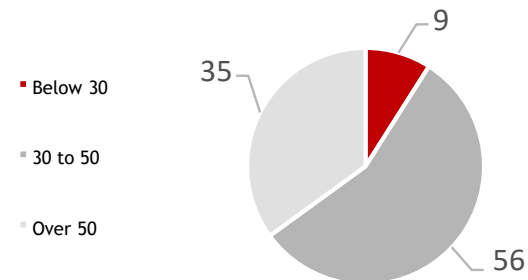
Thus, the staff of the Management Company is **61% male** and **39% female**.

The Management Company provides equal employment opportunities for people of different ages. The Company employs both specialists under 30 years of age and experienced employees over 50 years of age.

Technopolis Moscow Employees by Age Groups

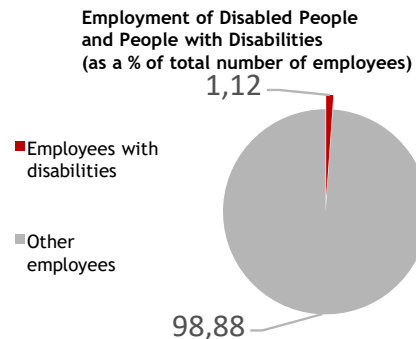
No.	Age Group, yrs	Number, persons.
1	under 30	43
2	30 to 50	248
3	over 50	155
	Total	446

Employment by Age
(% of total number of employees)



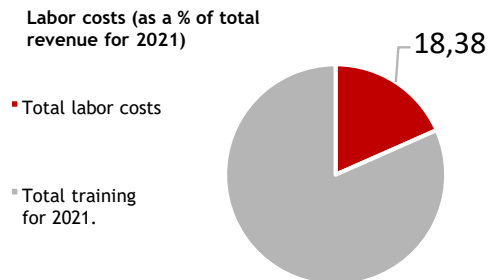


Following the principle of universal equality, the Management Company provides equal employment opportunities to candidates with disabilities.



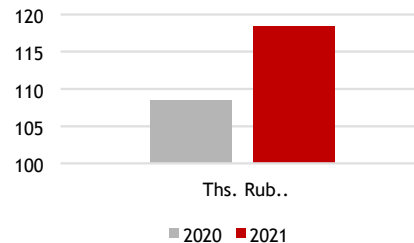
*As of the end of 2021, the Management Company employs **5 persons with disabilities**, which is 1.12% of the total number of employees.*

Salaries and Benefits of The Management Company's Employee



*In 2021, more than **773 Mln Rub.** were spent on personnel in the form of salaries, insurance premiums and benefits, which amounted to more than **18%** of the Management Company's total revenue.*

Real Average Monthly Salary



Average monthly nominal salary

*salary in 2020 was **108.5 Ths. Rub.**
At the end of 2021, the average monthly nominal salary amounted to **118.5 Ths. Rub.***

Consumer price indices according to Rosstat in 2020 and 2021 amounted to 104.91% and 108.39%, respectively.

Real average monthly wages, adjusted for inflation, in 2020 amounted to **103.47 Ths. Ru.** and in 2021 - **109.33 Ths. Rub.**

Thus, the ratio of real average monthly wages of employees in 2021 to 2020 is - **105,6 %**.

Ratio of average monthly nominal accrued salary to average salary in the region

*According to Rosstat, average monthly nominal salary in the city of Moscow in 2020 amounted to **100.07 Ths. Rubles**, and in 2021 - **112.77 Ths. Rubles**. Thus, in 2020, the average monthly nominal salary of the Management Company employees exceeded the same indicator for the region by **8.47%**, and in 2021 - by **5.1%**.*



Personnel Management

The employee turnover rate is calculated as the ratio of the number of employees who left the organization to the average number of employees. In 2021, 125 people left the Management Company and the *turnover rate was 28.87 %*.

The Management Company pursues an active personnel policy. In 2021, the Personnel Support and Development Department of the Management Company, in cooperation with the Personnel Recruitment and Adaptation Center of the ANO "Development Center "Sreda", using the HeadHunter portal, filled 43 vacancies on the SEZ Pechatniki site and 19 vacancies on the site Alabushevo site, which amounted to 100% of the staffing needs for administrative, managerial, production and technical personnel of the Management Company.

On average, the closing time for vacancies ranges from 14 to 30 days depending on the specialty, profession, qualifications and competencies required of candidates.

68.7 hours is an average training time per one Management Company employee in 2021.

2 460 Rub. were average training costs worth per Management Company employee in 2021.

629 educational events for the Management Company employees were held in 2021 in the following areas:

- ☐ accounting and auditing;
- ☐ procurement;
- ☐ civil defense and emergency management;
- ☐ road safety;
- ☐ occupational health and safety;
- ☐ construction-technical expertise;
- ☐ pricing and contractual relations in construction;
- ☐ taxation;
- ☐ investment activities;
- ☐ personnel records;
- ☐ legal aspects of countering corruption;
- ☐ environmental safety

The Management Company employees can also use additional educational and recreational activities as follows:

- ☐ dialogues with an expert;
- ☐ business games and quizzes;
- ☐ breakfast with an interesting person;
- ☐ networking;
- ☐ strategy sessions.



Participation in optional activities ensures comprehensive development of the Management Company's human capital. In 2021, the Management Company employees participated in 336 optional educational and leisure activities.

Health and Safety



The first social priority of the Management Company is to ensure safety of each employee's workplace, public areas and technical premises.

Within the framework of the Loyalty Program, insurance programs, including additional medical insurance for the employees and their close relatives are available at affordable corporate prices.

Expenditures on health and safety in 2021 amounted to 3,84 % of the revenue.

Compliance with labor protection requirements, ensuring safe and comfortable working conditions, their compliance with the provisions of the Labor Code and regulatory legal acts in the field of labor relations is ensured by means of:

- ☐ safety briefings;
- ☐ ensuring that special safety means and facilities are available and in good working order;
- ☐ control over compliance with occupational health and safety rules.

Zero cases of injuries in 2021

Thanks to our comprehensive approach to safety, there were no injury cases in 2021.

Physical training and sports

As part of the "Loyalty Program", corporate fitness and sports activities are available to the Management Company employees in the following areas:

- ☐ table tennis;
- ☐ volleyball;
- ☐ hockey;
- ☐ basketball.



The 2,800 m2 Aquastar fitness club has been operating in the SEZ since 2019. It offers a large gym, group exercise rooms, a spacious swimming pool, sauna and hammam, recovery training and massage studios, and much more.



Various sporting events are available to employees of the Management Company, including:

- ☐ #BODY, SPIRIT, MIND: The Laughter League Festival;
- ☐ Race of Heroes;
- ☐ Moscow Industrial Regata;
- ☐ Techno Physical Fitness Day in SEZ "Technopolis Moscow";
- ☐ yoga (once a week) and dance training (twice a month) in the SEZ.

Traffic Accidents

The management company keeps a log of road accidents. In 2021, no road accidents occurred in the SEZ territory, which has a total area of more than 223 hectares.

High road safety performance is achieved due to the developed transportation infrastructure, including high-quality road pavement, road markings and traffic signs. Entry and exit points of the SEZ sites are equipped with checkpoints with barriers and video surveillance systems that control movement within the SEZ sites.





Compliance with sanitary and hygienic requirements to working conditions

Sanitary condition of drinking water supply

Zero prescriptive orders were received by the Management Company for non-compliance with sanitary and hygienic requirements to working conditions in 2021.

No drinking water samples were taken that would not comply with hygienic standards in 2021.



Special smoking areas were equipped on the territory of SEZ sites in 2021.

Access to Banking, Insurance and Financial Services



Number of ATMs

5 ATMs representing 5 banking organizations were installed on the territory of SEZ “Alabushevo” and “Pechatniki” sites, which provides wide access to banking services for the Management Company employees and representatives of SEZ resident companies.



0,012 pcs.
number of ATMs
per 1,000 m²



Openness, Security, Resilience and Environmental Sustainability

Cities are centers of economic growth, contributing about 60% of the global GDP. However, they also account for about 70% of global carbon emissions and more than 60% of resource use. High rate of urbanization creates an excessive load on infrastructure and services related to waste collection and disposal, water supply and sewage systems, road network operation and transport. Technopolis Moscow SEZ pays attention to development of quality infrastructure on all SEZ sites.



Equipment for low mobility groups

To ensure comfortable conditions and integration of the SEZ territory into the urban space, an accessible environment is being created for employees of organizations operating in the SEZ territory and visitors, taking into account the needs of immobile groups, including:

- parking lots with special markings for low mobility groups;
- curb ramps and relief tiles;
- public areas equipped with accessibility signs and informative tactile signs;
- entrance groups to each building equipped with ramps;
- equipped accessible cubicles in restrooms with wall-mounted handrails and call for help system;
- elevators for vertical movement of low mobility groups.





Green Areas

78.7 ha is the area of green plantings on the SEZ territory
(Pechatniki and Alabushevo sites)

Green areas consisting of lawns, flower beds, shrubs and trees have been organized at all SEZ sites.



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The Management Company takes an active part in social and environmental projects. In particular, as part of the **Million Trees** campaign, a Residents' Alley was created at the Alabushevo site and more than **4,000 shrubs and trees** were planted there.



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Natural and Cultural Heritage Preservation

The Management Company team is actively involved in the preservation of natural and cultural heritage.

We respect the history of companies that operated in the area in the past.



In 2021, a monument dedicated to workers of the Lenin Komsomol Automobile Plant (AZLK), which produced Moskvich cars, who fought and gave their lives on the fronts of the Great Patriotic War, was opened.

The Management Company maintains relations with AZLK Council of Veterans, which unites about 1700 people. Largely due to their steadfast civil position, the memory of the heroism of their colleagues who fought in the war is immortalized in the opened monument. The monument will help preserve memory of about the automobile plant veterans, and allow to make a significant contribution to the historical self-consciousness of the present workers of the industry of our city.

Effective Social Governance



Presence of Accidents and Incidents, Disputable Situations Causing Social Damage

In order to reduce the risks of accidents and incidents, controversial social situations that may cause damage, the Management Company controls issues related to social management.

In 2021, there were *no accidents, incidents* and disputes resulting in damages.





Corporate Governance

The Management Company is committed to conducting business in an ethical, transparent, safe and efficient manner. We adhere to the best corporate governance practices and strive to comply with the strict standards.

Corporate governance activities are focused on eight key areas:

- ☐ human capital;
- ☐ financial results;
- ☐ investment policy;
- ☐ scientific, technical and innovative activities of SEZ residents;
- ☐ interaction with contractors and suppliers;
- ☐ work of the Board of Directors;
- ☐ anti-corruption policy;
- ☐ efficacy of corporate governance.

The Management Company identifies 7 out of 17 priority objectives that most fit for the **Governance** direction:



Human Capital



The Management Company strives to maximize potential of its employees by creating conditions for effective labor activity, including staff training and leisure activities into the work process.

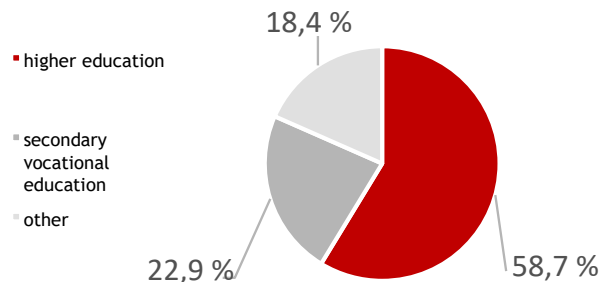
Along with professional training, heads of structural divisions and specialists participated in seminars, round tables, conferences, forums, summits and other events organized with the support of the Moscow City Complex of Economic Policy and Property and Land Relations, including congress and exhibition events.

The Management Company strives to make educational programs as accessible as possible for all employees and pursues a policy that encourages professional development.

More than **150 specialists** of the Management Company took the benefits of professional development or professional training in 2021.



Employees with Higher and Secondary Professional Education (in % ratio)



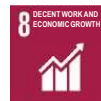
Training Objectives:

System of internal corporate training provides for the participation of the Management Company's employees in open short-term seminars, conferences and trainings conducted by the specialists of ANO Center for Development "Environment of Opportunities" (in-person/distance formats).

Depending on their position, each employee received training in 3 mandatory programs during 2021.

- improving efficiency of the Management Company's activities through the creation of the system of continuous development and training of personnel;
- continuous updating of employees' knowledge for successful fulfillment of functional tasks;
- improving the professional culture.

Interaction with SEZ Residents and Lessees



The Management Company's one-stop-shop services are client-oriented and convenient for residents and tenants located at the SEZ sites. We introduce services of space and equipment sharing, integration of production cycles, and develop industrial co-working concept for SEZ residents. The Management Company is developing a marketplace within the SEZ with an option to purchase services and products.

The products manufactured by SEZ residents have priority both for the region of presence and for the country as a whole.

Interaction with development institutes, educational organizations and private companies will allow, inter alia, to provide SEZ residents with a range of services for development and modification in industrial design of manufactured products.

As part of the development of industrial cooperation in 2021, we began to develop a concept of the project "Competence Center" in the field of import substitution, with the main purpose to organize technology cooperation between SEZ residents for the production of in-demand, competitive products.



Resident Policy



All necessary information on obtaining SEZ resident status is available on the official SEZ website, including both economic requirements for the candidate company and a detailed description of the procedure for launching production. Investors have the opportunity to receive a questionnaire of the future resident.

An important role in selecting companies with promising innovative developments and monitoring the results of project implementation in SEZs is played by the Scientific and Technical Council, a permanent advisory and consultative body established for the purpose of scientific and technical, informational, analytical and expert support of SEZ activities.

The main tasks of the STC includes scientific and technical evaluation of innovative projects of potential SEZ residents, monitoring of implementation of innovative projects of existing SEZ residents in order to promote the best projects, development of recommendations on priority directions of SEZ innovative development, as well as promotion of cooperation with legal entities and individuals, state bodies, international and foreign organizations interested in SEZ development, promotion of SEZ popularization.

Services and Facilities for SEZ Residents

The Management Company provides various services to SEZ residents and tenants, including support services for construction, design and cadastral works, information technology and communication services, promotion and advertising services, transportation services, repair and cleaning services. SEZ residents can use the congress center and reserve a meeting room. Contact numbers of all Management Company services are available to SEZ residents.

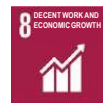


For the convenience of the SEZ residents and lessees, as well as to minimize use of the paper, a ***Resident's Personal Account*** information system has been introduced, to facilitate interaction with the Management Company.

The system makes available over ***300 types of services*** including:

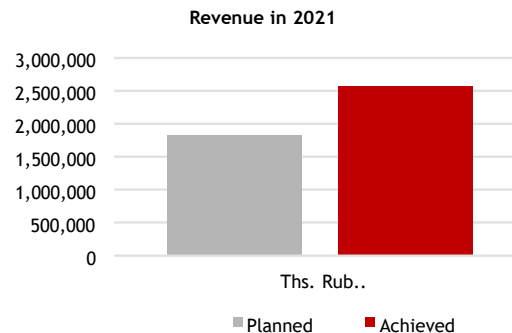
- temporary warehouse rental, logistics center services, postal services, courier services, cleaning and a number of other services;
- submitting trouble-shooting requests (e.g., repairs to lighting, ventilation, or elevator systems);
- interactive maps of SEZ sites to search for available sites for lease;
- news feed about events in the SEZ and life of the residents;
- built-in chat for communication with the personal manager of the Management Company and other SEZ residents;
- module on industrial cooperation of SEZ residents.

Revenue and Net Value Added



2 575 788 Ths. Rub.

revenue of the Management Company in 2021

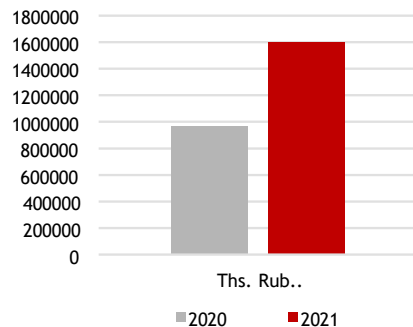


According to the results of 2021, the Management Company's revenue exceeded the planned value by 29% and amounted to 2,575,788 Ths. Rub. including VAT.

The revenue growth was primarily due to the indexation of rental rates, as well as an increase in the number of services provided.



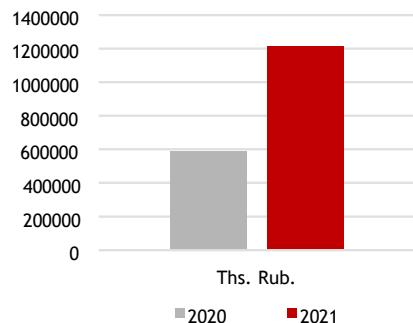
Gross Value Added



*Gross Value Added of the Management Company in 2021 amounted to **1,597,667 Ths. Rub.***

Gross Value Added was calculated as follows: Revenue less Cost of Goods, Works, Services Purchased (excluding personnel costs (Payroll and Personal Income Tax)).

Net Value Added



*Net value added of the Management Company in 2021 amounted to **1,214,027 Ths. Rub.***

Net Value Added was calculated as follows: gross value added less depreciation and amortization.

Mandatory Contributions



The total amount of taxes paid, as well as all royalties, license fees and other payments to the state in 2021 for the Management Company amounted to **665,602 Ths. Rub.** There are no arrears of taxes and other payments.

New Investments/Expenditures



Investment activities of the Management Company are carried out within the framework of the State Program of the City of Moscow "Economic Development and Investment Prospects of the City of Moscow".

The investment activity is aimed at forming an innovative ecosystem of the SEZ by providing the most favorable conditions for the location of Russian and foreign high-tech companies.



Objectives of the Investment Activities :

- creation of conditions for attracting private investments into the economy of the city of Moscow;
- creating high-paying and highly productive jobs;
- increasing share of services provided;
- increasing profitability of activities carried out in the SEZ territory.

Green Investments

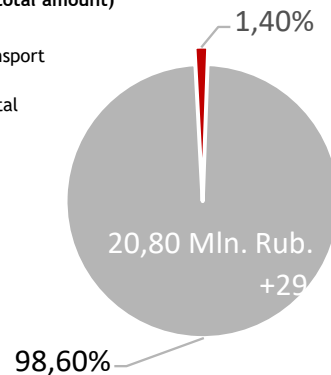
Green investments mean investments that directly or indirectly have a positive impact on the environment, such as investments in environmentally friendly and resource-saving projects and technologies.

In 2021, the Management Company developed a Strategy for Expanding Use of the Green Technologies in SEZs.

Green investments of the Management Company in 2021 amounted to **20,767 Ths. Rub.** and the share of green investments in the total expenses of the Management Company in 2021 amounted to **0.65 %**.

Structure of the Green Investments (in % of total amount)

- electric transport
- environmental protection



The Management Company made 20.8 Mln. Rub. of green investments in 2021, of which:

98,6 % are expenditures for electric transportation;

1,4 % are current expenditures on environmental protection.

In 2021 on the SEZ territory, an electric scooter rental system (111 scooters) was organized, with electric cars and electric buses employed as well.

General environmental management was carried out through contracting the following services:

- collection, transportation, recycling and neutralization of hazardous waste;
- collection, transportation, recycling and neutralization of wastes of III - IV class of hazard;
- sampling and conducting laboratory studies of pollutant concentrations of industrial wastewater;
- collection, transportation, recycling and neutralization of wastes of III - IV class of hazard;
- conducting laboratory and instrumental studies of harmful factors of the production environment, habitat.



Charity and Other Social Projects

In 2021, the Management Company did not incur direct charity expenses, but actively supported participation of its employees and SEZ resident companies in social, charitable and environmental projects.

Since 2021, the Pechatniki SEZ has been running a charitable campaign “Kind Things”: a container for collecting clothes, footwear, leather goods and textiles, children's toys, bedding, sports equipment, and rehabilitation equipment has been installed on the site. Collected items suitable for further use are given to those in need, those unsuitable for further use are sent for recycling.

Supporting science and culture, the Management Company decided to reduce the rental rate for the Polytechnic Museum, whose funds are located at the Pechatniki site of the SEZ, as compared to the average rate applied in the SEZ.

Scientific, Technical and Innovative Activities



Technopolis Moscow SEZ as a technology innovation SEZ is aimed at creating conditions for the development of high-tech sectors of the economy, production of in-demand, competitive products with high added value.

Volume of R&D Expenditure of the SEZ Residents

R&D expenditures of 90 residents in 2021 amounted to **2,145.02 Mln. Rub.**

R&D costs include all costs of the SEZ residents directly related to R&D activities.

Number of protected Results of Intellectual Activity (RIA)

417 RIAs were created by 27 SEZ residents in 2021

Protected RIA and means of individualization include objects protected by copyright, objects protected by patent law and other intellectual property objects.

By patent type, SEZ residents' RIAs are classified as inventions, utility models and industrial designs.



Contractors and Suppliers



Contractors and suppliers are selected by the Management Company within the framework of procurement procedures conducted in accordance with the Regulation on Procurement of Goods, Works and Services.

Percentage Share of Local Procurement

Sustainable procurement is an important strategic lever for realizing the development of environmental and social innovations.

100% of suppliers (contractors)
of the Management Company have Russian localization.

Environmental Regulations for Contractors and Suppliers

Competitive procurement procedures provide for confirmation of compliance of suppliers (contractors, performers) with mandatory requirements stipulated by the legislation of the Russian Federation and the Procurement Regulations. In case of procurement of goods/works/services subject to mandatory certification or licensing, suppliers (contractors, executors) are required to confirm compliance of goods/works/services with the legal requirements, including environmental standards.

Disclosures on Corporate Governance Issues



The Board of Directors of the Management Company exercises general management of the Company's activities. When making decisions, the Board of Directors is guided by the legislation of the Russian Federation, the Company's Charter and the Regulations on the Board of Directors, as well as resolutions of the General Meeting of the Shareholders.

The Board of Directors occupies a central place in the corporate governance system of the Management Company. The internal documents of the Management Company do not provide for payment of remuneration to the members of the Board of Directors. The Board of Directors consists of 5 members. The Board of Directors may include independent directors.

The Chairman and Deputy Chairman of the Board of Directors are elected by the members of the Board of Directors from among their number, the functions of the Secretary of the Board of Directors are performed by the Corporate Secretary.

The Board of Directors may establish standing or temporary committees to resolve issues requiring special knowledge and prepare recommendations:

- ☐ on auditing;
- ☐ on personnel and compensation;
- ☐ on strategic planning and investment;
- ☐ on budgeting and development;
- ☐ on corporate conflict resolution.



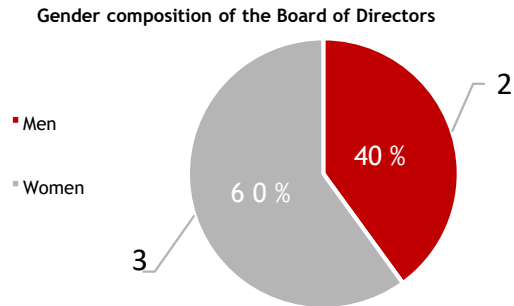
Number of Meetings of the Board of Directors and Attendance Rate

During the period from January 1 to December 31, 2021, the Board of Directors conducted **42 meetings**.

The meeting attendance rate was 0.84.

Number and Percentage of Women on the Board of Directors

As of the end of 2021, the Board of Directors of the Management Company counted **5 persons** with different professional experience, education and skills, including **3 women**.

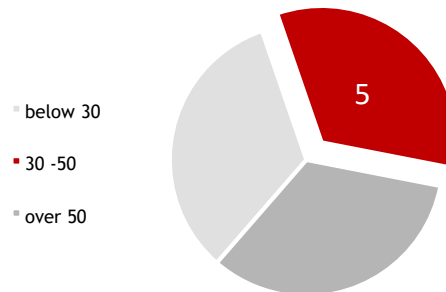


Members of the Board of Directors by Age Groups

To disclose the age composition of the Board of Directors, the following criteria are adopted:

- below 30 years;
- 30 - 50;
- over 50.

Composition of the Board of Directors by age groups



100% of the members of the Board of Directors are aged 30 to 50 years old



Anti-Corruption Practices



All interested parties can get acquainted with the local regulations on anticorruption adopted by the Management Company, as well as materials on raising the level of anti-corruption awareness of employees on the official SEZ website.

In 2021, the Management Company developed and approved the following documents and regulations as part of the internal legal framework development:

- ☐ anti-corruption policy of the joint-stock company;
- ☐ code of Ethics and Business Conduct of the Joint-Stock Company's employees;
- ☐ regulations on the management of conflict of interest;
- ☐ the Company's anti-corruption action plan for 2021-2024.

Amount of corruption-related fines paid or payable in accordance with regulations

0 Rub. of fines

In 2021, the Management Company did not receive any corruption-related fines, imposed by regulatory authorities and courts.

The Management Company has a communication channel for reports on committing (preparing) corruption offenses or other actions by the Company's employees that may cause property damage, lead to violation of rights and legitimate interests.

In order to explain the requirements of anti-corruption legislation and raise the level of legal awareness, the Company briefs employees on the prevention of corruption offenses when hiring them.

In 2021, the Management Company's employees were trained on the topic "Corruption in Russia: causes, essence, legal basis for counteracting it", and a meeting of the Anti-Corruption Commission was held.

All employees of Technopolis Moscow SEZ are trained on anti-corruption issues.

In order to improve the effectiveness of countering corruption offenses, assess business and professional qualities, the Company implemented periodic voluntary polygraph testing of employees.

Average number of hours of training on anti-corruption issues

Anti-corruption Activities:

- ☐ monitoring of anti-corruption legislation;
- ☐ anti-corruption commission;
- ☐ prevention of corruption offenses, training of employees.



Investment Policy



We believe that the image of SEZ as an infrastructure and production site implementing the principles of sustainable development eventually becomes a competitive advantage for the region of presence, SEZ residents and increases attractiveness for potential investors.

The tasks for the integrated implementation of sustainable development principles in Technopolis Moscow SEZ include the following:

- ☐ mitigation of adverse impact on the environment;
- ☐ increasing energy efficiency and optimizing production and operating costs;
- ☐ building a positive image of SEZ as an attractive infrastructure site investment-wise;
- ☐ establishment of Technopolis Moscow SEZ as an advanced platform for implementation and dissemination of sustainable development principles.

Use of green technologies, including alternative and/or renewable energy sources, is one of the areas of the task implementation on the integrated introduction of sustainable development principles.

In 2021, specialists of the Management Company held strategic sessions on the feasibility and prospects of partial transition to alternative energy.

Effective Corporate Governance



The Management Company adheres to the general requirements to corporate governance practices. We strive to avoid situations that may cause reputational damage, and are guided by the principles of open business conduct in strict compliance with the laws of the Russian Federation, constituent documents and local regulations. Respect for human rights and intolerance to corrupt practices are our priorities.





SCHEDULES



DEFINITION AND JUSTIFICATION OF THE ESG REPORTING INDICATORS FOR INFRASTRUCTURE SITES

The Sustainability Report of Technopolis Moscow SEZ Management Company for 2021 has been prepared in accordance with the Standard for Disclosure of Non-Financial Reporting for Infrastructure Sites (industrial parks, industrial technoparks, special economic zones, territories of advanced socio-economic development).

The Standard was developed by a working group of experts from the Association of Clusters, Technoparks and SEZs of Russia, "Institute of Knowledge Economy" Autonomous Non-profit Organization of Additional Professional Education, Ufa State Aviation Technical University, FBU "State Regional Center for Standardization, Metrology and Testing in the Republic of Bashkortostan", Development Corporation of the Republic of Bashkortostan, as well as G.V. Plekhanov Russian Economic University.

The Standard's indicators are based on the UN Global Indicators (goals) and National SDG indicators developed by Rosstat. The Standard includes 77 indicators in 3 areas: environmental, social and governance.

The Standard indicators were reviewed and supported at the meetings of the Expert Councils of the State Duma of the Federal Assembly of the Russian Federation:

on April 19, 2022 at the meeting of the Expert Council on the Development of Special Economic Zones under the Committee for Economic Policy;

on May 26, 2022 at the meeting of the Expert Council for Development of Industrial Infrastructure (industrial parks, technoparks, eco-technoparks and clusters) under the Committee for Industry and Trade.

Based on the results of the meetings, the Standard was submitted to the Ministry of Economic Development of Russia and further sent to SEZ Management Companies for voluntary use in their work (letter of the Ministry of Economic Development of Russia No. D14-i 17683 dated 08.06.2022).

Currently, the Standard for disclosure of non-financial reporting for infrastructure sites (industrial parks, industrial technoparks, special economic zones, territories of advanced socio-economic development) is pending approval of the Standard of Organization (STO).



COMPLEX FOR ECONOMIC POLICY AND PROPERTY
AND LAND MATTERS OF THE MOSCOW GOVERNMENT



DEPARTMENT OF INVESTMENT
AND INDUSTRIAL POLICY
OF THE CITY OF MOSCOW



TECHNOPOLIS
MOSCOW
SPECIAL ECONOMIC ZONE

Technopolis Moscow SEZ JSC

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