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## RESPONSIBLE INVESTMENT DEVELOPMENT

Corporate social responsibility is playing an increasingly important role in capital markets, pushing companies to apply ESG (Environmental, Social and Governance) principles. Environmental and social criteria cover environmental and society activities, while the governance criterion implies the adoption of an ethical corporate policy.

The Exchange is working hard to implement principles for responsible investment in Russia, encouraging issuers to disclose information to help investors determine their level of corporate social responsibility.

### *The Exchange Supports Sustainable Development*

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The Exchange is planning to join the global Sustainable Stock Exchanges (SSE) initiative, which was launched in 2009 by UN Secretary General Ban Ki-moon and is a partner program of UNCTAD, the United Nations Global Compact, UNEP FI and PRI. More than 80 stock exchanges around the world have joined the initiative, which supports four key areas: gender equality, disclosure of information about social responsibility, countering man-made climate change, and support for global partnerships. Participation in the initiative confirms the Exchange's intention to encourage dialogue among investors, issuers and regulators on matters related to long-term responsible investment, in order to improve corporate ESG practices and encourage information disclosure about action in these areas.

In March 2019, the Exchange entered into a cooperation agreement with the Russian Union of Industrialists and Entrepreneurs (RUIE) to develop and reinforce responsible business practices among issuers, strengthen their investment case, contribute to enhancing transparency from issuers and strengthen trust among investors. As part of this work, the Exchange calculates sustainable development stock indices, namely Responsibility and Transparency and Sustainable Development Vector, based on analysis of companies on ESG indicators carried out annually by RSPP. The calculation base for the indices includes the securities of issuers who disclose the most complete information on activity in the field of sustainable development and corporate social responsibility.

To promote responsible financing and the creation of a "green" financial system, the Exchange is planning to establish a Sustainable Development Sector, which will include green and social bonds. The new sector will align issuers and investors with target investments and will contribute to the financing of companies that implement environmental and social programs. The Exchange is currently actively negotiating with ministries and departments regarding government support for investors and issuers of "green" and social securities.

In 2018, the Exchange held a series of conferences and seminars with the participation of Russian issuers, banks, development institutes and institutional investors, which dealt with trends in and development prospects for socially responsible investment in Russia and around the world, increasing interest among investors in companies which meet ESG requirements, and the impact of ESG factors on securities issuers' credit ratings.

### *Support for Gender Equality*

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In 2018, the Exchange joined the global Ring the Bell for Gender Equality initiative, organizing an official ceremony dedicated to gender equality and support of women's contribution to business, politics and economy. The main goal of the initiative is to encourage businesses to promote sustainable development goals by increasing women's rights and opportunities. In 2018, the initiative was supported by 61 stock exchanges all over the world.

Adherence to gender equality principles is also a part of the Exchange's corporate culture. The Code of Business Ethics stipulates that all employees of the Exchange should adhere to the principles of equality in relation to respect of labor rights, absence of discrimination towards personnel and customers on the basis of their gender, race, skin color, nationality, language, origin, property, marital status, social and occupational position, age, residency, religious beliefs, opinions, affiliation or non-affiliation with non-governmental associations or any social groups. The Exchange also respects all employees' cultures, opinions and lifestyle, and refrains from any actions that would promote the creation of an atmosphere of intimidation, hostility, offence or violation of human dignity at the workplace.