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PSJC ALROSA

**Diversity and Inclusion Policy**

**APPROVED**

By decision of the PSJC “ALROSA” Executive Committee

15 April 2022

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**CONTENTS**

[1. GENERAL PROVISIONS 4](#_Toc129078221)

[1.1. Policy objectives 4](#_Toc129078222)

[1.2. Basics of development 4](#_Toc129078224)

[1.3. Scope 4](#_Toc129078225)

[2. THE COMPANY’S COMMITMENT TO DIVERSITY AND INCLUSION 6](#_Toc129078226)

[2.1. Promoting the principles of sociocultural diversity and respect for individual differences 6](#_Toc129078227)

[2.2. Ensuring socio-cultural diversity of governing bodies 6](#_Toc129078228)

[2.3. Ensuring equal and fair working conditions 6](#_Toc129078230)

[2.4. Ensuring gender equality 7](#_Toc129078232)

[2.5. Ensuring age equality 7](#_Toc129078233)

[2.6. Providing an accessible and inclusive environment 7](#_Toc129078235)

[2.7. Respect for the rights of local cultures and communities 8](#_Toc129078236)

[2.8. Preventing discrimination and other human rights violations 8](#_Toc129078238)

[3. MECHANISMS TO ENSURE THE COMPANY’S COMMITMENT TO DIVERSITY AND INCLUSION 9](#_Toc129078239)

[3.1. Fair recruitment and hiring 9](#_Toc129078240)

[3.2. Effective staff development 9](#_Toc129078241)

[3.3. Improvement and training 10](#_Toc129078243)

[3.4. Informing and reporting 10](#_Toc129078244)

[3.5. Feedback mechanism 10](#_Toc129078245)

[4. FINAL PROVISIONS 12](#_Toc129078246)

[4.1. Implementation, control and responsibility 12](#_Toc129078247)

[4.2. Ensuring compliance with policy provisions 12](#_Toc129078248)

[4.3. Effective period and policy review 12](#_Toc129078249)

[5. TERMS AND DEFINITIONS 13](#_Toc129078250)

# GENERAL PROVISIONS

* 1. **Policy objectives**

PJSC ALROSA's Diversity and Inclusion Policy (hereinafter referred to as the Policy) is a fundamental document defining PJSC ALROSA's (hereinafter referred to as the Company, or ALROSA) approach to ensuring equal rights and opportunities for employees and creating an inclusive environment both in the workplace and in relations with stakeholders.

The policy declares the Company's commitment to respecting and recognizing the benefits of diversity and the individual characteristics of employees and stakeholders, regardless of gender, race, color, sexual orientation, nationality, language, origin, property, family, social and official status, age, place of residence, religion, beliefs, membership or non-membership in public associations or any social groups, or any other differences.

The Company strives to create and develop a work environment that provides mutual understanding and support, in which all employees and stakeholders have an opportunity to maximize their potential, regardless of their differences. The principles of socio-cultural diversity and inclusiveness are fundamental to shaping the personnel development strategy, which allows the Company to achieve sustainable development, implement modern innovative solutions, effectively adapt to changing environmental conditions, and increase its competitiveness in the market and attractiveness as an employer.

* 1. **Basics of development**

The Policy was developed in accordance with applicable Russian and international law, taking into account global and industry-specific requirements applicable to the Company, voluntary commitments, provisions of the Company's internal documents, as well as recommendations of generally recognized standards and leading global practices.

The International Bill of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the UN Global Compact principles, and the UN Sustainable Development Goals served as the conceptual framework for the Policy.

The Policy should be considered in conjunction with the Company's other key sustainability documents, including the Code of Conduct, the Sustainability Policy and the Human Rights Policy.

* 1. **Scope**

The Policy applies to the Company and is binding on all employees of the Company, including officers, members of the governing bodies and management. The Company's regulatory, organizational, administrative and other internal documents must be aligned with the Policy.

In order to unify the approach to sustainable development aspects and use uniform standards of responsible business conduct within ALROSA Group, the Policy is recommended for implementation and compliance in ALROSA Group subsidiaries.

The Company adheres to the principles of this Policy in its relations with all stakeholders, expects them to adhere to high ethical standards, refrain from any activity that could be considered to violate these standards, and welcomes dissemination of the Policy, its adaptation and compliance by a wide range of stakeholders.

# THE COMPANY’S COMMITMENT TO DIVERSITY AND INCLUSION

The Company is committed to rigorously observing the principles of diversity and inclusion with respect to its employees, including officers, members of governing bodies and managers, and in its interactions with stakeholders, including suppliers, contractors, customers and business partners, at all stages of its operations, and commits to the following:

* 1. **Promoting the principles of sociocultural diversity and respect for individual differences**

The Company values the diverse thinking, skills, talents and professional experience of its employees, which allow the Company to implement best practices, improve knowledge and experience with partners from other industries and countries.

The company is committed to attracting, developing and retaining talent, guided by the principles of diversity and inclusion and creating a comfortable and respectful work environment in which each employee feels engaged, valued and involved in the overall performance and can realize their full potential.

In its turn, the Company expects employees to show respect for their colleagues and to be ready for effective interaction as a part of teamwork to achieve ALROSA's strategic goals.

* 1. **Ensuring socio-cultural diversity of governing bodies**

The Company strives to support and develop a culture of socio-cultural diversity and inclusion at all organizational levels of company governance and management, including the Company's governing bodies.

ALROSA regularly analyzes the composition of the Supervisory Board and its committees to assess their socio-cultural diversity, based on the results of which it develops and submits proposals to the Company's major shareholders on nominating candidates to governing bodies for election at the General Meeting of Shareholders in order to strengthen and/or improve the diversity of the governing bodies in accordance with best practices, in particular, ensuring the required number of independent members of the Company’s Supervisory Board.

The Company seeks to nominate candidates for election to the ALROSA Group companies’ Boards of Directors and appointments to top and middle management positions based on the candidates’ knowledge, experience and professional skills.

* 1. **Ensuring equal and fair working conditions**

When making decisions on the recruitment and selection of employees, working time regulations, determining wages and other payments, providing social support measures, promotion, transfer, certification, training, prosecution, reduction and dismissal, retirement, protection of employee rights or other issues, ALROSA is guided exclusively by the applicable labor laws and clear rules adopted on their basis, which are the same for all.

The company ensures that all employees and candidates are treated with respect, create equal opportunities for them at every stage of their career advancement, and foster a culture of equal opportunity based solely on professional skills and performance.

* 1. **Ensuring gender equality**

The company strives to promote gender equality at all levels of management and in a variety of activities.

To this end, the Company provides equal working conditions for all employees regardless of gender, including the opportunity to realize their professional potential, equal compensation for work of equal qualifications, equal opportunities for training and development, use of maternity leave, and others.

The Company recognizes that the empowerment of women is essential for effective performance and achievement of results. The Company also pays important attention to ensuring women's share in the Company's management.

* 1. **Ensuring age equality**

The Company strives to maintain the principles of age equality of personnel in various areas of activity. The Company recognizes that using people's strengths in accordance with their professional qualities regardless of age is important to ensure effective work and achievement of the set results.

ALROSA ensures non-discrimination based on age and strives to retain employees whose skills, experience and attitude meet the requirements of the position/occupation. The Company does not allow any age requirements for candidates in hiring employees, other than those related to the minimum age for employment and / or admission to certain types of work.

* 1. **Providing an accessible and inclusive environment**

The company pays special attention to providing an accessible and inclusive environment tailored to its operations, including for people with disabilities.

The company takes reasonable steps to keep employees who become unable to perform their duties for health reasons by retraining them, providing special equipment/special workstations or reducing working hours.

In order to motivate its employees and ensure a work-life balance, ALROSA provides for part-time and/or flexible working hours.

* 1. **Respect for the rights of local cultures and communities**

The company respects the culture, customs, traditions and way of life of local communities, paying special attention to supporting and preserving the cultural and historical values of indigenous people.

Being aware of its responsibility for the impact on the livelihood of the population in the regions where it operates, ALROSA seeks to create conditions for effective interaction with local communities and treat with respect the rights of indigenous minorities by ensuring their adaptation in the regions where the Company operates, supporting candidates from local communities and employment of indigenous people in ALROSA Group subdivisions.

* 1. **Preventing discrimination and other human rights violations**

Providing its employees with healthy, safe, fair and comfortable working conditions is one of the key priorities of ALROSA. In its activities, the Company is guided by the principle of non-discrimination and does not allow any differences, exceptions, restrictions or preferences in rights based on any grounds, including race, color, sex, language, religion, sexual orientation, political and other views, ethnic or social background.

The Company recognizes as unacceptable any inappropriate or unwanted conduct, whether isolatedor systematic, in the form of words, gestures or actions that reasonably could annoy, alarm, offend, humiliate, intimidate or embarrass others, or be intended to undermine human dignity and rights or create an intimidating, hostile or offensive work environment, including harassment, bullying or other forms of human rights abuse.

The Company is committed to providing a supportive work environment free of harassment and persecution, obscene, threatening and intimidating behavior, in which employees are not afraid to voice their concerns and feel safe to speak up about problems.

# MECHANISMS TO ENSURE THE COMPANY’S COMMITMENT TO DIVERSITY AND INCLUSION

In order to fulfil its commitments, ALROSA implements the following mechanisms to ensure its diversity and inclusion commitments:

* 1. **Fair recruitment and hiring**

ALROSA employee selection procedures are based on the principles of objectivity and non-discrimination. Taking into account the specifics of its production activities, the Company recognizes the importance of ensuring gender balance in the total headcount and balanced representation of various social groups and local communities.

ALROSA strives to ensure equal conditions of access to employment for job seekers. The Company publishes information on open vacancies in the public domain, ensuring that all potential candidates without exception have an opportunity to consider and respond to the vacancy. The requirements for applicants are limited solely to those requirements that are necessary to effectively perform the work on the respective position, and do not allow for stereotypical judgments.

Hiring decisions are made solely on the basis of an assessment of their experience, qualifications, competence and suitability for the position to be filled. ALROSA does not make assumptions or preliminary judgments about a candidate’s suitability for the position on the basis of their gender, race, colour, age, language, religion, sexual orientation, political and other views, ethnic or social background, or other discriminatory characteristics.

Any candidate screening and testing conducted by the Company is intended solely to confirm that candidates have the skills and abilities necessary to perform the position.

ALROSA strives, to the extent possible, to conduct periodic analysis of the socio-cultural background of its employees and applicants at all levels.

* 1. **Effective staff development**

ALROSA makes systematic efforts to create a culture of equal opportunities and create favorable conditions for professional development and career growth for its employees. The Company on a regular basis carries out a range of activities related to professional training, advanced training, career planning, formation of an employee reserve, professional orientation and career development of young specialists of the Company and young people in the regions of operation, adaptation of indigenous minorities, as well as strengthening and increasing the involvement and motivation of employees.

ALROSA's key objective in this area is to unlock the potential of each employee and provide them with the best opportunities for professional fulfillment. The Company's activities in the field of personnel development are carried out in strict compliance with the principles of non-discrimination and equal treatment of all.

All the Company's employees have equal access to corporate training and professional development systems, participation in corporate professional competitions and contests to fill open vacancies. All decisions taken in ALROSA concerning remuneration, salary increase, promotion, transfer to another position, advanced training and other forms of professional development and career growth are based solely on objective criteria set out in the Company's internal regulatory documents.

* 1. **Improvement and training**

The Company regularly updates the Policy by tracking changes in legislation and standards, studying the implementation of new practices in the area of diversity and inclusiveness, and conducting a dialogue with employees on the need for and possibility of implementing systemic improvements in ALROSA.

In order to ensure a uniform understanding of the key principles and standards of the Policy, ALROSA provides specialized training for personnel of all levels, including managers, develops and improves training modules on the basis of the Company's Corporate University regarding the application of the Policy and the procedures governing the approach to diversity and inclusion.

* 1. **Informing and reporting**

In its commitment to the principle of information transparency, ALROSA ensures awareness of internal and external stakeholders, demonstrating the promotion of the values of diversity and inclusiveness, by communicating the Policy to all employees and stakeholders, including by posting it in the public domain.

The company continually works to ensure that internal communications are embedded with respect for employee diversity, including the language of communication and the visual images used. The Company also strives to ensure that external communications reflect the diversity of customers, business partners and shareholders.

ALROSA keeps records and discloses information on the results of its diversity and inclusion activities, including its approach, principles, compliance with social, labor and ethical standards, as well as measures implemented in the field of socio-cultural diversity and inclusion in annual reports in the field of sustainable development on the corporate website and in other forms.

* 1. **Feedback mechanism**

In order to prevent and/or minimize the risks of violations of the Policy principles, harassment of employees or partners due to socio-cultural differences, as well as to provide an opportunity to confidentially and promptly ask questions or report concerns regarding a possible or perceived violation/harassment within ALROSA or among its stakeholders, the Company has a feedback mechanism.[[1]](#footnote-1)

The basic principles of the feedback mechanism are outlined in the relevant internal regulatory document of the Company.

# FINAL PROVISIONS

* 1. **Implementation, control and responsibility**

The Company is aware of the importance of applying the principles of the Policy in ALROSA Group activities. The obligation and responsibility for implementation of and compliance with the principles of the Policy rests with the heads of functional, structural and separate subdivisions of the Company, within the scope of their authority, and managers of ALROSA Group companies.

The company is committed to implementing monitoring and control procedures in its operations and to carry out comprehensive work on a regular basis to identify, analyze and develop measures to prevent and minimize violations of diversity and inclusion prinsiples, discrimination and any measures of employee intimidation or harassment, and monitor the implementation of preventive measures and avoid recurrence of violations.

In order to comply with the principles in the area of diversity and inclusion, the Company implements a motivation system by setting additional targets for the promotion of the above principles, in particular relating to maintaining the share of women and ensuring the share of the indigenous people in the total number of ALROSA employees.

Employees of the Company are obligated in all aspects of their activities to ensure ethical conduct and personal commitment to the principles of diversity and inclusion and are subject to disciplinary or other responsibility under applicable law for their actions or inactions that have a negative impact on human rights and result in non-compliance with the provisions of the Policy.

* 1. **Ensuring compliance with Policy provisions**

Responsibility for monitoring compliance with the Policy is vested in the Chief Executive Officer-Chairman of the Company's Executive Committee.

The Company communicates the Policy to its internal and external stakeholders and expects from them to recognize and follow the fundamental principles of socio-cultural diversity and inclusion in all aspects of their activities.

* 1. **Period of validity and policy review**

The Policy is an internal permanent document of the Company.

The Policy enters into force from the date of its approval by the Company's Executive Committee and shall remain in effect until it is declared invalid by decision of the Company's Executive Committee.

The Company reviews and, if necessary, revises the Policy on an ongoing basis in order to improve, update and bring it in line with changes in the regulatory framework.

Amendments to the Policy are made based on the decision of the Company's Executive Committee.

# TERMS AND DEFINITIONS

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| --- | --- |
| **PSJC ALROSA, ALROSA, the Company** | One of the largest diamond mining companies in the world, a Russian mining company with state participation |
| **ALROSA Group** | PJSC ALROSA and its controlled companies (the Company’s subsidiaries or other legal entities directly or indirectly controlled by PJSC ALROSA |
| **Discrimination** | Any distinction, exclusion, restriction or preference in rights based on any ground, including race, color, sex, language, religion, sexual orientation, political or other opinion, ethnic or social origin, which has the purpose and/or effect of nullifying or impairing the recognition, enjoyment or exercise of equality of human rights and fundamental freedoms |
| **Inclusivity** | Creating an environment in which different sociocultural groups of people and individuals are valued, understood and respected for their unique skills, experience and perspectives, and in which they are given equal opportunity to participate in the success of the organization |
| **Stakeholders** | natural and legal persons or groups of persons (employees, customers, representatives of business, civil society, public authorities, local communities, trade unions, etc.) in varying degrees involved in the activities of the organization, which affect the results of the organization and/or are influenced by it |
| **Indigenous ethnic minorities** | special groups of people living in the territories of traditional settlement of their ancestors, preserving traditional lifestyles, economy, and trades |
| **Best practices** | universally recognized forms of organization and elements of the management system, which are reflected, among other things, in the standards of leading global and industry organizations and initiatives and rating methodologies of the world's leading rating agencies |
| **Local communities** | a community of people living in the territories in which the Company operates |
| **Diversity (sociocultural diversity) in the work place** | a set of individual characteristics or unique traits inherent in a person or group of people, including race, color, sex, language, religion, sexual orientation, political and other views, ethnic or social affiliation, and other characteristics. |
| **Bullying** | Repeated deliberate negative actions in the workplace against one person by another or a group of persons for the purpose of causing moral or physical harm, diminishing rights, insulting or intimidating |
| **Employees (including “Officers” and/or “Members of governing bodies”** | Chief Executive Officer - Chairman of the Executive Committee, members of the Executive Committee, employees of all functional, structural or separate divisions of the Company. For the purposes of this Policy, employees include members of the Supervisory Board of the Company |
| **Sustainable development** | development that meets current needs without compromising the ability of future generations to meet their needs. A concept developed by the UN that recognizes the role of business in ensuring the sustainable development of society. |
| **Harassment** | Inappropriate or unwanted conduct that could reasonably be perceived as threatening, humiliating or degrading to another person, intended to intimidate a person, diminish their dignity or rights, or create an intimidating, hostile or offensive work environment |
| **Ethical behavior** | a person's behavior that fully complies with generally accepted moral principles, rules and norms of behavior, as a result of which the rights and interests of others are not violated or restricted |

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1. More detailed information on the feedback mechanism can be found in ALROSA’s Human Rights Policy [↑](#footnote-ref-1)