APPROVED BY:

Supervisory Board  
PJSC ALROSA 10.03.2021,   
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CODE OF CORPORATE ETHICS

PJSC ALROSA

(new revision)

**2021**

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1. GENERAL
   1. The Code of Corporate Ethics (hereinafter the “Code”) of the Joint Stock Company ALROSA (the public joint stock company) (hereinafter the “Company”) sets the Company’s corporate values, defines the key principles and norms of ethical business conduct underlying the Company’s corporate culture, and establishes liability for non-compliance with the provisions of the Code.
   2. The Code is the most important constituent of the Company’s corporate governance system, a tool intended to facilitate the implementation of its strategic goals through the establishment of a unified policy of corporate conduct shared by all employees of the Company, regardless of their position.
   3. The provisions of the Code are based on:

* the requirements of Russian laws;
* provisions of the Articles of Association and other Company’s internal regulatory documents; principles and provisions of the international standards, guidelines and initiatives for sustainable development and responsible business practices;
* leading international and Russian practices in the field of corporate governance and corporate conduct.
  1. By approving the Code, the Company confirms its commitment to strict compliance with the requirements of Russian laws, the highest standards of business ethics and the principles, norms and rules of corporate conduct established by the Code when making any management decision or taking any action in the Company.
  2. The Company’s long-term sustainable development is impossible without building trust among its shareholders, investors, counterparties, employees and other stakeholders. Trust is built by maintaining a consistently high standard of ethical business conduct and taking care of others. To that end, in its business practice the Company considers it necessary and strives to more fully take socially significant aspects of its activities into account and show responsibility with respect to all stakeholders.
  3. **The goals of the Code are to:**
* maintain high standards of corporate conduct in the Company;
* develop a common corporate culture based on high ethical standards and promote an atmosphere of trust, mutual respect and decency among its team;
* increase, strengthen and protect the Company’s business reputation as an open, responsible and reliable business partner.
  1. **The main objectives of the Code are to:**
* assist in achieving the Company’s strategic goals;
* establish the key values, principles, rules and norms of corporate conduct and intra-corporate relationships to be observed by the Company’s managers, officers and other employees in their activities, both in performing their official duties and outside of work;
* establish uniform standards and criteria for ethical business behavior, which, as part of the implementation of actions on behalf of, at the order, and/or in the interests of the Company, should be observed not only by the Company’s employees, but also by other persons involved in its activities, including investors, shareholders, partners and other stakeholders;
* manage risks associated with the violation of the principles of ethical conduct and the prevention of conflict situations;
* create a moral and ethical basis for forming intolerance of corruption on the part of employees in all its forms and manifestations, as well as the principles for counteracting their involvement in corrupt activities, including the prevention and settlement of conflicts of interest.
  1. **The Scope** **of the Code:**

1. The Code is mandatory for all employees of the Company, including officials, members of governing bodies and executives.
2. The Code shall be applied by all employees of the Company, both in Russia and abroad, considering the cultural, legal, social and economic differences typical of the countries and regions where the Company operates (plans to operate).
3. Should any provisions of this Code conflict with business customs, traditions or ideas of behavior standards of an individual subject of law who is a shareholder, member of a governing body or an employee of the Company, or interacts with the Company, the provisions of the Code shall apply.
4. The provisions of the Code are basic for the Company’s controlled entities. Based on the provisions of the Code, the Company’s controlled entities should (without changing, but with the option to supplement, these provisions) develop and approve their own Codes of Corporate Conduct that would apply to their employees.
5. The Company expects all of its controlled entities and business partners to act in accordance with the basic principles of the Code. The Company shall strive to make sure the contracts made with its business partners do not conflict with the principles set out in the Code.
6. Certain provisions of the Code and the procedure for their implementation are disclosed in more detail in the Company’s internal regulatory documents, including policies, codes, rules, regulations, job descriptions, etc.
7. ABOUT THE COMPANY
   1. The Company was established in accordance with Decree of the Russian President No. 158C “On the Establishment of the Joint Stock Company ‘Almazy Rossii—Sakha’” dated 19.02.1992.
   2. The Company is one of the world’s largest diamond mining companies. The Company’s interests are diverse in terms of geography. The Company is striving to make a significant contribution to the social and economic well-being of the regions of its presence, as well as to the development of numerous sectors of the Russian economy.
   3. The Company is public. The largest shareholders of the Company are the Russian Federation, the Republic of Sakha (Yakutia) and the municipalities of the Republic of Sakha (Yakutia).
   4. The Company’s operations are based on the principles of sustainable development and are carried out in accordance with high standards of responsible business conduct.
8. TERMS AND DEFINITIONS

“Business partners” mean customers, suppliers, contractors, partner companies or any other natural or legal person having or establishing contractual or non-contractual business relations with the Company.

“Discrimination” means any difference, exclusion, restriction or preference in rights based on any characteristics, including race, skin color, gender, language, religion, political and other beliefs, ethnic or social affiliation, with the purpose and/or effect of destroying or diminishing the recognition, enjoyment or exercise of equality of human rights and fundamental freedoms.

“Harassment” means inappropriate or unwanted behavior that may reasonably be perceived as threatening, offensive or humiliating to another person; it aims at belittling the dignity of a person and the person’s rights. Covers a wide range of behaviors and may appear in the form of words, gestures or actions that tend to annoy, disturb, insult, humiliate, intimidate, degrade or embarrass others, or that create a frightening, hostile or offensive work environment. If this behavior pattern is repeated, it takes the form of harassment (bullying).

“Stakeholders” mean individuals and legal entities or groups of persons (employees, customers, representatives of business, civil society, governmental authorities, local communities, trade unions, etc.) that are to a various degree involved in the Company’s activities and that affect the Company’s performance and/or are influenced by the Company.

“Insider Information” means accurate and specific information that has not been disseminated or provided to general public, the dissemination or provision of which may have a significant effect on the prices of financial instruments, foreign currency and/or goods (one or more financial instruments, foreign currency and/or goods), and which refers to information included in the respective list of insider information stated in Article 3 of the Law on Insider Information.

“Code” means the Code of Corporate Ethics of PJSC ALROSA (Code).

“Company” means the Public Joint Stock Company ALROSA (PJSC ALROSA).

“Counterparty” means any legal entity created in accordance with the applicable laws with which the Company enters into any contractual (written or oral) relationship, or any individual with whom the Company enters into any contractual relationship, except for labor relations.

“Confidential Information” means information for which the Company legitimately introduces a restricted access regime. The Confidential information also includes information constituting a trade secret.

“Conflict of Interest” means a situation in which the personal interest (direct or indirect) of an employee affects or may affect the objective and impartial performance of the employee’s job duties and in which a contradiction arises or may arise between the employee’s personal interest and the legitimate interests of the Company that may be detrimental to the Company’s legitimate interests.

“Corporate Ethics” means a set of moral principles, rules and norms of behavior of the Company’s employees in the performance of their job duties, in the relationship between employees, the Company’s divisions, and in the relations with other stakeholders.

“Corporate Governance” means a set of economic and administrative mechanisms through which the rights of shareholder property are exercised and the structure of corporate control is formed; a system of interactions between the Company’s governing bodies, shareholders and other stakeholders for the exercise of their rights and legitimate interests.

“Corporate Conflict” means a situation of acute contradiction between interests of any stakeholders (shareholders, members of executive bodies) which can result in illegal actions, damage to the Company’s reputation, decreased price of the Company’s securities. The Company seeks to prevent and localize corporate conflicts by creating a system for their settlement and by means of strict observance of the shareholders’ rights to information and the participation in the management of the Company.

“Corruption” means abuse of office, giving or accepting bribes, abuse of authority, commercial bribery or other illegal use by an employee of the Company of his or her official position contrary to the Company’s legitimate interests with the purpose to obtain benefits in the form of money, valuables, other property or services of a proprietary nature, or other property rights for himself or herself or for third parties, or illegal provision of such benefits to the Company’s employee by other individuals, or the commission of such actions on behalf or in the interests of a legal entity.

“Best Corporate Governance Practices” mean generally accepted forms of organization and elements of a corporate governance system, which are reflected, in particular, in the codes of corporate conduct/governance of the world countries and in the methods of assigning corporate governance ratings of the world’s leading rating agencies.

“Supervisory Board” means a collegial governing body of the Company that performs general management of the Company’s activities within the scope of competence determined by the Articles of Association, with the exception of matters falling within the scope of competence of the general meeting of shareholders as per federal laws and the Company Articles of Association.

“Line Manager” means a manager to whom the employee is immediately accountable (without any intermediate participation of other managers).

“General Meeting of Shareholders” means the Company’s supreme governing body.

“The Company’s Controlled Entity” means the Company’s subsidiaries or other legal entities in the Company’s direct or indirect control. The Company’s direct or indirect control means the Company’s rights and abilities to directly or indirectly (through the Company’s controlled entities) dispose, whether by virtue of participation in a controlled entity and/or on the basis of agreements for the trust management of property and/or a simple partnership, and/or instructions and/or a shareholder agreement, and/or other agreement the subject of which is the exercise of rights certified by shares (stakes) of the controlled entity, of over 50 percent of votes in the supreme governing body of the controlled entity, or the right to appoint (elect) the sole executive body and/or over 50 percent of members of the controlled entity’s collegial governing body.

“Human Rights” mean the inalienable rights of every person, regardless of the person’s nationality, place of residence, gender, ethnicity, skin color, religion, language, or any other characteristics. All people have equal human rights, excluding any kind of discrimination. These rights are interrelated, interdependent and indivisible.

“Principles of Corporate Governance” mean the main provisions in the field of corporate governance, which the Company adheres to, taking the specifics of its activities and the best Russian and international corporate governance practices into account. The principles of the Company’s corporate governance are established in its Corporate Governance Code.

“Harassment (Bullying)” means repeated intentional negative actions against one person by another person or a group of persons, including with the help of electronic means of communication, with the purpose of causing moral or physical harm, diminishing rights, insulting or intimidating.

**Employees (including “Officials” and/or “Members of the Governing Bodies”)** means Chief Executive Officer—Chairman of the Executive Committee and members of the Executive Committee of the Company, Deputy Chief Executive Officers, Chief Engineer, Chief Geologist, Chief Accountant, as well as heads of services, departments and divisions of the management apparatus and the Company’s structural units and their deputies, and other employees. For the purposes of this Code, members of the Supervisory Board are referred to as “employees”.

“Standards (including International standards) of Corporate Governance” means requirements and recommendations for corporate governance enshrined in regulatory and non-regulatory documents adopted by countries that are recognized leaders of the investment community setting requirements for the practice of the Company in the following areas:

* interaction with the Company’s shareholders;
* activities of the Company’s General Meeting of Shareholders, Supervisory Board, executive bodies and employees;
* interaction with stakeholders;
* determining a development strategy and monitoring its implementation (including building effective planning, risk management and internal control systems);
* risk management;
* making decisions on significant corporate events of the Company;
* prevention of corporate conflicts;
* interaction with external auditors;
* internal control;
* disclosure of information by the Company;
* assessment of the state of corporate governance of the Company.

“Third Parties” mean any individuals who are not employees of the Company or its controlled entities, as well as legal entities that are not members of its controlled entities.

“Risk Management” means one of the elements of the corporate governance system, which involves determining the significance of the danger associated with a particular risk for the Company, as well as the likelihood of the materialization of this risk, with further monitoring of such risks, taking measures for their prevention and elimination of adverse consequences for the Company. The Supervisory Board, the Committees of the Supervisory Board, the Company’s Internal Audit Department and Risk Management Department, as well as the Company’s divisions play a key role in the risk management system (within the scope of their business processes).

“Sustainable development” is the UN concept meaning the world development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Company’s sustainable development related activities involve solving issues and attaining progress in economic efficiency and improving management approaches, social well-being and environmental protection.

“Securities” mean the Company’s shares, bonds, options, as well as other securities placed in accordance with Russian laws.

“Ethical Standards of Corporate Conduct” mean the norms of conduct applied and/or established by the Company.

1. FUNDAMENTAL ETHICAL PRINCIPLES AND VALUES OF THE COMPANY
   1. The Company’s activities are based on its corporate values, which allow it to conduct business in accordance with the highest ethical standards. The Company understands that its reputation depends not only on its strict compliance with the requirements of Russian laws, the laws of the countries of its presence, international law and the observance of human rights. To a large extent, the Company’s reputation and success are based on the principles of sustainable development and adherence to moral and ethical standards and rules.
   2. The Company’s corporate values are:
      1. Employees’ health and safety as a priority

Company employees are our key asset and one of the main factors in the Company’s development. Our Company operates a large number of potentially dangerous facilities and uses various hazardous substances for its technological processes, so we are fully aware that we are the ones responsible for safeguarding the people who work in our production. In running our business, we give priority to health and safety of the employees rather than to the production activities.

* + 1. Sustainable Development

Our company is committed to creating and maintaining favorable long-term social, economic, and natural conditions in the regions where we operate by offering new jobs and improving the quality of life in the local communities, as well as by supporting the budgets of different levels with major tax contributions, building a social infrastructure, and protecting the environment, while also doing our best to prevent and minimize the potential negative impact of our activities. This is consistent with the Sustainable Development Goals that are part of the UN Development Program.

* + 1. Social Responsibility

By following a conscientious business strategy, ALROSA regularly works on resolving crucial social issues wherever we have a presence. Our company is highly socially accountable: we provide charity aid, help maintain an accessible and comfortable infrastructure, and pursue a socially accountable labor and social partnership policy. We at ALROSA believe that our company’s efforts to design and execute social initiatives will allow us to care for all the people who live in regions where we have offices. We hope that our projects will be appreciated by the local community.

* + 1. Environmental Protection

Our Company’s business is directly related to utilizing the natural mineral riches of Russia. In essence, the Company’s operations boil down to mining and then technologically processing natural resources. As our business is both technologically complex and hazardous, the Company pays keen attention to the environmental aspects of its business. Achieving high levels of efficiency is inextricably linked to the rational use of natural resources and diligent adherence to environmental laws and international agreements on environmental protection. Knowing that it is responsible for securing the wellbeing of future generations, the Company strives to minimize its impact on the environment.

* + 1. Efficiency

We at ALROSA are aware of our duties to our shareholders, investors, customers, and partners. This makes business efficacy one of our core values. Our Company constantly aims to improve the productivity of our operations. This is facilitated by various strategic initiatives proposed by the supervisory bodies and the shareholders. We work tirelessly to increase our profits and generate more value, by ensuring that our mining yield meets the rising customer demand, accumulating more operational assets, introducing new technologies, and increasing the total market value. In order to work at the Company, employees are expected to be very productive, which helps retain and build up our competitive advantages and expand our share of the market. Our Company analyzes the risks that arise from its operations, and ensures that they are properly minimized. We vet our suppliers and contractors by unbiased criteria, acting solely in line with approved procedures.

* + 1. Morality

Our Company’s diverse business operations do not just follow the law and planned objectives. The essence of what we are working for is also crucial. As it fulfills its mission, the Company respects the principles of honesty, fairness, respect, and moral integrity. Disregard for the Company’s principles and values and attempts to achieve the desired result at any cost are something we find quite unacceptable.

* + 1. Partnership

Our Company creates, maintains, and greatly appreciates relationships with our business partners and community organizations. After all, it would be impossible to work efficiently without lasting and mutually beneficial collaboration, without mutual respect and a responsible approach to fulfilling one’s business obligations. The Company tries to foster a spirit of partnership and team work in its corporate family, motivating the employees to work hard and achieve outstanding results.

* + 1. Legal compliance

All of our Company’s activities fall in line with both Russian legislation and the laws of the countries where we have our branches. Our business follows the law to the letter; we consider any loophole abuse to be reprehensible. Our Company is continuously monitoring the laws that govern any and all areas where we are involved. This allows us to respond to changes in legislation in a prompt and efficient manner and, if necessary, adjust our economic operations so that they comply with the law.

* 1. In accordance with these principles, the Company builds relationships with its employees, business partners, governmental authorities and the public.
  2. The Company’s organization principles
     1. Strategic flexibility and innovations

The Company has to work in difficult conditions, where market prices for products affect the actions for implementing the strategy. Therefore, it is crucial for the Company to make flexible strategic decisions. Any proposal allowing the Company to develop will be heard and assessed with regard to possible risks.

* + 1. Focus on the strategy and value creation

The Company shall not deviate from its strategy and shall be guided by the strategy in its activities by focusing on the implementation of the most important strategic tasks.

* + 1. Energy and passion for work

The Company brings together people with a high commitment, performance and energy. Each employee in their workplace contributes to the Company’s overall success, adds value and brings the Company closer to the achievement of its mission. Each employee must know that their personal result is necessary for the Company—the Company will never be able to achieve success without them. And each employee’s contribution will definitely be rewarded.

* + 1. Professionalism and teamwork

The Company strives to employ professionals in their field. The Company encourages teamwork and trusts the professionalism of its employees.

1. ETHICAL STANDARDS OF CORPORATE CONDUCT
   1. GENERAL
      1. The reputation of a fair and open Company strictly adhering to high standards of corporate ethics is key to the Company’s success and prosperity. Following high ethical principles and maintaining the Company’s reputation is one of the main tasks of all its employees. Any violation of the standards or regulations of corporate ethics may lead to a loss of trust in the Company on the part of its business partners and governmental authorities.
      2. Ethical norms establish standards of conduct for each employee of the Company and determine what the Company expects from its employees. Effective implementation and adherence to ethical standards is imperative for everyone, regardless of the place of work or past experience. Each employee of the Company is responsible for meeting these requirements.
      3. The Company values the work of its employees and sees its duty in the formation and maintenance of an atmosphere of goodwill, professionalism, mutual respect, cooperation and stability in its work teams. The Company strives to maintain a corporate spirit uniting all employees, regardless of their title or official position, into a single team of professionals with a common goal.
      4. The Company sets ambitious tasks and is confident that their attainment in today’s world is impossible without continuous professional development of its employees and raising the level of their professional skills.
      5. The Company believes it is necessary to build relationships with its employees on a long-term basis, demonstrating trust and openness to dialog. The Company confirms its commitment to stability by paying its employees decent wages and providing a social package, as well as by strictly observing the norms of Russian labor laws.
      6. The Company will not tolerate any form of discrimination, bullying and/or harassment and provides employees with equal opportunities to exercise their labor rights regardless of gender, race, nationality, language, background, property, social or official status, age, place of residence, attitude to religion, political convictions, membership in public associations, or other circumstances not related to the business qualities of employees.
      7. The Company respects the rights of employees as established by Russian and international laws and observes personal freedom and human dignity. The Company respects and, where possible, promotes human rights set out in the International Bill of Human Rights, respects the universal nature of such rights, takes measures to observe human rights, and where legislation or its application does not ensure adequate protection of human rights, follows the UN Guiding Principles on Business and Human Rights.
      8. The Company does not allow the use of alcohol or narcotic substances, or the appearance of employees at their workplace in a state of alcoholic, drug or other intoxication.
   2. Mutual responsibility of the Company and its employees
      1. Mutual responsibility means that both the Company and its employees share common basic beliefs and consciously and conscientiously fulfill their responsibilities towards each other.
      2. The Company deems it its responsibility toward its employees to:

* pay stable and decent wages and ensure working conditions that comply with the law;
* comply with the labor rights of employees, including by ensuring an adequate level of labor protection and industrial safety in accordance with legal requirements and the Company’s internal regulations;
* provide social security, medical assistance and other elements of corporate social responsibility within the scope of programs implemented by the Company;
* build long-term relationships with its employees, trust them and ensure open dialog;
* develop and improve systems for training, motivation and assessment of its employees’ potential; support the initiatives and desire of its employees for self-development, improvement of their professional competence, and performance of complex tasks.
  + 1. In turn, employees express their responsibility toward the Company by:
* conscientiously performing their official duties and taking personal responsibility for the results of their work;
* observing labor discipline and labor safety rules;
* having a respectful and correct attitude towards their colleagues, managers and subordinates;
* accepting constructive criticism;
* demonstrating intolerance to any manifestation of corruption.
  1. Ethical standards of the behavior of the Company’s employees
     1. The Company’s employees carry out their professional activities in accordance with the values and norms established by the Code on the basis of:
* Professionalism. All business relations of the Company’s employees shall be based on high professional standards and comply with business practices and the law.
* Liability. Each employee will be held liable for their own actions and decisions and may not transfer responsibility to other employees. Doing their job and making decisions, each employee takes on a high responsibility.
* **Honesty and objectivity.** All management decisions and actions of the Company’s employees shall be honest and objective. Biased attitude towards the employee’s own job duties or to colleagues is not allowed.
* **Good faith.** Conscientious behavior of employees, members of the Company’s governing and control bodies, in particular, in situations where personal interests may conflict with the interests of the Company, is the ground for preventing the emergence of a conflict of interest or its constructive settlement, excludes abuse of official powers for their own benefit or for the benefit to third parties to the detriment of the Company or its shareholders, and enables the performance of necessary corporate procedures for transactions in which employees have personal interest.
* Image and reputation. Management decisions and actions of employees shall be consistent with the goals of maintaining a positive image of the Company. Employees take effort to prevent situations where their actions may adversely affect the business reputation of the Company or its controlled entities.
* **Respect.** Each employee of the Company, regardless of their position, shows respect for their colleagues, their rights and freedoms, values, feelings and beliefs, demonstrates benevolence and support in the process of joint accomplishment of tasks assigned, without resorting to any form of pressure or other incorrect actions. Employees respect the rights and interests, as well as the culture, customs, business practices and the applicable law of the Company’s stakeholders, including its shareholders, investors, business partners and the society at large. Respect and trust allow the Company to improve its performance by reducing bureaucratic and administrative barriers, while remaining a dynamic and efficient team.
* **Confidentiality.** Employees ensure the safety and protection of any confidential information, including information constituting a trade secret and insider information of the Company (taking the requirements of the applicable Russian laws on disclosure of information, on insider information and internal documents of the Company into account), the misuse of which may cause damage to the Company.
* **Transparency.** The activities of employees are aimed at information openness and transparency, providing all interested parties with reliable, complete and objective information about their activities, subject to the principle of confidentiality, where necessary and if there is contradiction to Russian laws.
  1. Ethical principles of the Company management
     1. The Company raises special requirements for managers of all levels. By their personal example, the Company’s management shall set an example of ethical behavior and act as ideological inspirers and leaders of corporate culture.
     2. The Company’s management treats its employees with trust and respect and is interested in building long-term relationships with them based on the Russian labor legislation and respect for human rights.
     3. The Company’s management strives to pursue an honest, fair and open policy with respect to its employees, taking the individual characteristics of each employee into account. This policy applies at all stages of work with personnel.
     4. Ethical standards of conduct of the Company’s management:
* compliance with the legislation and the Company’s internal regulations, the terms of the Collective Agreement, labor contracts and agreements;
* ensuring labor safety and conditions that meet health and safety requirements;
* non-admission of any manifestations of discrimination, harassment and/or bullying with respect to the Company employees based on gender, race, nationality, language, origin, property, social or official status, age, place of residence, attitude to religion, political beliefs, membership in public associations, or other circumstances;
* communicating the received target tasks to the Company employees so that subordinates clearly understand their goals, the meaning and their role in their solution;
* creating an atmosphere of openness in business communication, ensuring the organization of work that promotes effective interaction between the Company’s employees and contributes to their satisfaction from work;
* delegating necessary powers to subordinates and granting them independence with exclusion of minor custody, building relationships with subordinates as like-minded people;
* being open to constructive criticism, showing respect for another’s opinion;
* recognizing the priority of incentives for labor achievements of employees over other forms of incentives;
* respecting the right of the Company employees to participate in trade union activities;
* development of an effective system of consultations for the Company employees on working conditions and other matters that may affect them directly at their workplace;
* caring for the welfare of the Company’s employees and their families, including the timely and full transfer by the Company of mandatory or voluntary contributions to pension and insurance funds;
* incentivizing the Company employees to comply with the corporate ethics standards;
* supporting the initiatives for the development of a high corporate culture of the Company, including the improvement of measures for preventing and combating corruption, and exercising personal control over their implementation.

1. PRINCIPLES OF RELATIONS WITH STAKEHOLDERS
   1. GENERAL
      1. The Company is represented by its employees in relations with external stakeholders (investors, shareholders, the government, suppliers, customers, etc.). Therefore, the provisions of this section of the Code apply equally to the Company and to its employees.
      2. Recognizing the trust of its counterparties and business partners, as well as other stakeholders, as an important factor in the development of its business, the Company pays special attention to maintaining and developing stable and trust-based relationships with stakeholders, both over a short and long term.
      3. The Company values its business reputation and image. The Company’s external relations are based on the observance of the principles of mutual respect, openness, honesty and responsibility.
      4. The Company adheres to the principle of neutrality with respect to financial and industrial groups, political parties and associations.
   2. Shareholders and investors
      1. The Company considers the interests of its shareholders as paramount and makes every effort to meet their expectations, pay decent dividends and ensure the growth in the value of the Company’s shares.
      2. The Company guarantees the provision and protection of all rights of shareholders established by Russian laws. At the same time, the Company tries to make the process of exercising such rights as simple and efficient as possible.
      3. The Company ensures high business profitability and proper dividend payments. The Company equally respects the rights of all its shareholders, regardless of the number of shares they hold, and makes it a policy to:

* seek to minimize the objectively existing risks of investors. To that end, the Company properly discloses information about its activities and refrains from actions that can mislead investors;
* make every effort to increase its own value for shareholders, eliminate corporate conflicts, and ensure a high level of corporate governance. The priority area in this respect is the observance and implementation of the Code of Corporate Conduct and other internal documents of the Company.
  1. Governmental authorities
     1. The Company is aware of its special responsibility in connection with the participation of the Russian Federation, the Republic of Sakha (Yakutia) and the municipalities in the Company’s capital and strives to be a model of legal and ethical obligations towards the state.
     2. As one of the largest diamond mining companies in the world, the Company considers itself responsible for securing the state interests in the rational use of mineral resources, the introduction of innovative technologies, and the creation of favorable working conditions in its area of activity.
     3. Building open, trust-based and stable relationships with governmental and local authorities is an indispensable condition of the Company’s business. The Company strictly observes the law, being the main employer and the largest taxpayer in the regions of its presence, and ensures timely and full payment of taxes and other mandatory payments.
  2. Controlled entities
     1. The Company is a large corporation, the success of which is ensured by the joint activities of the Company and its controlled entities.
     2. While exercising its legitimate interests in the management of controlled entities, the Company considers the interests of shareholders/members of its controlled entities, their employees and creditors.
     3. The interaction between the Company and its controlled entities is based on transparency, trust, mutual support, and respect for each other’s professionalism.
     4. The Company maintains relationships with its controlled entities in accordance with the requirements of Russian laws, the Articles of Association, the Company’s internal regulations, and the Articles of Association of its controlled entities.
  3. Business partners
     1. The Company interacts with its business partners (business associations, industry organizations, customers, suppliers, contractors and consultants) on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness.
     2. The business and public reputation of its partners is important for the Company. The Company takes a responsible approach to selecting its suppliers and contractors, paying special attention to their business ethics. The Company seeks to work with business partners whose activities do not contradict the principles and provisions of this Code.
  4. Society and public organizations
     1. Having a significant impact on the socio-economic development and the environment of the regions where it operates, the Company strives to build long-term and stable relations with the society based on the principles of transparency, open dialog and compliance with a reasonable balance of interests.
     2. Operating both in Russia and abroad, the Company strictly observes the norms of both Russian and international law, respects the cultural heritage, traditions and rights of the population in the regions of its presence, including small and indigenous peoples.
     3. In partnership with governmental and local authorities, the Company implements programs and projects aimed at supporting the population in the regions of its presence, including the socio-economic development of regions, construction and modernization of social infrastructure facilities.
     4. The Company strives to regularly inform the population in the regions of its presence and other stakeholders about any significant events or changes in its production activities, social programs, plans or measures taken in the field of environmental protection.
     5. The Company strives to constantly improve its channels of communication and feedback, with the help of which stakeholders can contact it on matters of their interest related to the Company’s activities.
  5. Mass media relations
     1. On its corporate website <http://www.alrosa.ru>, the Company publishes information about itself, its activities, functional and structural divisions, contact details, etc.
     2. The Company monitors compliance with high standards in interaction with mass media.
     3. Any contacts with media representatives (interviews, publications, participation in press conferences, press briefings, etc.) relating to the Company’s activities are performed by the Company’s employees only by agreement with the Company’s management within the scope of their competence.

1. PREVENTION OF CORRUPTION AND CONFLICTS OF INTEREST
   1. Following high standards of doing business and realizing what risks for achieving business success, developing relations with the state and corporate relations, are entailed by the manifestations of corruption, the Company works to prevent corruption within the scope of its Anti-Corruption Policy.
   2. The moral and ethical basis for preventing corruption are the principles of zero tolerance of corruption in all its forms and manifestations, and the prevention and settlement of conflicts of interest, as it becomes a behavior standard of employees as they act on the Code.
   3. A conflict of interest, where the personal interest of employees leads to the emergence and/or a potential emergence of a threat of loss of loyalty and objectivity towards the Company, is considered the main factor behind corrupt behavior. To minimize the risk of corruption caused by this factor, the Company develops and implements procedures for preventing and resolving conflicts of interest.
   4. Within the scope of these procedures, employees undertake to promptly report on any potential conflict of interest, and in the event of its urgent occurrence, immediately inform their immediate supervisor.
   5. The Company recommends its employees to fully disclose information about a situation that could, whether directly or indirectly, lead to a conflict of interest.
   6. HR departments, line managers of employees, and the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest play a significant role in the formation of these principles and behavior standards, as well as in ensuring their effectiveness.
2. THE PROPERTY AND ASSETS OF THE COMPANY
   1. The property and assets of the Company are the basis of its activities, the ground for the growth of its business and long-term development. Therefore, respect for and rational use of the Company’s property are key to the Company’s effectiveness. All assets of the Company, such as equipment, commercial and technical information, intellectual deliverables, money, can only be used for business purposes.
   2. All employees are responsible for the property entrusted to them by the Company. The protection of property from theft, damage or misuse is the direct responsibility of each employee of the Company.
   3. Protection of confidential information as one of the types of the Company’s assets is a prerequisite for maintaining the Company’s competitiveness. The specifics of the Company’s activities is that disclosure of confidential information may affect the interests of the state. Therefore, the Company is constantly improving its systems for protecting state and commercial secrets and requires its employees to strictly comply with the requirements of internal regulatory documents on information security.
3. INFORMATION DISCLOSURE. INSIDER INFORMATION
   1. The Company is a public joint stock company the securities of which are traded on the Moscow Stock Exchange. Its public status obliges the Company to comply with mandatory disclosure requirements set by the relevant regulatory authorities and the stock exchange. The Company takes these obligations responsibly and discloses information through specialized servers.
   2. In addition to mandatory disclosure of information, the Company also voluntarily discloses information that is material to investors and other stakeholders by posting it on its corporate website. Thus, the Company provides equal access to important information for all market participants.
   3. The Company has developed appropriate local regulatory documents and introduced internal corporate protection mechanisms to prevent untimely and inappropriate disclosure of information that may affect the value of its securities.
4. ENVIRONMENT, HEALTH AND SAFETY
   1. The environmental safety of production and environmental protection are a priority in the Company’s activities. Understanding the scale and complexity of environmental problems faced by the Company, the Company intends to consistently reduce and, where possible, prevent environmental impacts arising in the course of its production activities.
   2. The Company views environmental protection activities as an integral part of its business. To enshrine the main areas of practical implementation of the Company’s intentions concerning environmental safety, the Company has adopted an Environmental Policy. The Company strives to contribute to the sustainable development of Russia by rational use of natural resources and continuous improvement of its environmental protection activities. The Company strictly complies with the requirements of environmental laws and international treaties, industry and corporate requirements governing the Company’s activities in the field of environmental protection.
   3. Each employee is responsible for complying with the requirements aimed at ensuring personal safety, the safety of colleagues and the environment. Each manager is obliged to instruct, support and supervise the activities of employees in terms of the observance of environmental protection and safety rules.
   4. The Company promotes behaviors improving the health of its employees and their families. The Company continuously develops educational, organizational and environmental activities to reduce the risks associated with its activities.
   5. The Company develops and applies resource saving technologies and consistently reduces the impact on the environment and humans.
   6. The Company is always open to a dialog with all its stakeholders on environmental issues.
5. COMPLIANCE WITH THE CODE OF CORPORATE ETHICS AND LIABILITY FOR ITS VIOLATION
   1. The Company’s arrangements to ensure compliance with the Code
      1. The Company is convinced that the adherence to the provisions of the Code improves its performance and contributes to building effective business relationships with its partners. Therefore, all employees of the Company, regardless of their position, are obliged to comply with the requirements of this Code and are responsible for adhering to the established ethical standards in their professional activities.
      2. Compliance with the provisions of the Code is ensured by:
         1. On the part of the Company:

* developing and posting the Code on the Company’s internal portal and corporate website;
* including the Code in the Company’s internal regulations binding on all its employees;
* updating the Code provisions in a timely manner in accordance with the occurring changes;
* making sure its employees read and understand the Code against signature when applying for a job in the Company;
* periodic training of employees on the application of the Code provisions;
* explaining the Code provisions to an employee to prevent misconduct, where necessary;
* providing consultations on employee requests;
* delivering briefings before important events related to the implementation of projects important for the Company, including international ones;
* personal example of managers in implementing the principles and rules of conduct established by the Code;
* ensuring control on the part of managers over the implementation of the Code;
* providing explanations and warnings by line managers and/or colleagues regarding inadmissible behavior that may entail the risk of violation of the established ethical standards;
* addressing issues of employee misconduct related to violations of the Code at meetings of the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest;
* conducting, where necessary, official investigations to identify the reasons for misconduct associated with the violation of the Code, the circumstances that contributed to it, and the employee’s fault;
* imposing disciplinary measures on employees violating the norms of the Code, and if there are signs of an offense, filing materials to law enforcement authorities;
* conducting a periodic analysis of the state of corporate culture, compliance with the norms and regulations of personal and corporate behavior, and working out measures to improve this state, where necessary;
* submitting regular reports on the state of the corporate culture and compliance with the code of corporate conduct to the Chief Executive Officer—Chairman of the Executive Committee and/or the Supervisory Board of the Company.
  + - 1. On the part of employees:
* conscientiously reading and understanding of the essence of the principles and rules established by the Code, and the need to comply with them;
* strong-willed efforts aimed at observing these principles and rules;
* applying, should it be necessary in a given situation, for advice and/or consultation to colleagues, line managers or the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest;
* taking advice, criticism, clarifications and warnings, following the recommendations of the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest, and correcting behavior, taking the measures taken and the decisions made into account;
* full disclosure of any circumstances of violations of the Code requirements, where the issue of misconduct is addressed by a line manager or other managers, at a meeting of the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest, or during an internal investigation.
  + 1. The Company imposes increased obligations on managers of all levels. Managers are obliged to act as a model of ethical behavior, set an example of supporting the ethical aspects of corporate culture, explain, where necessary, the provisions of the Code to their subordinates and monitor their implementation.
  1. Compliance with the Code
     1. Compliance with the provisions of the Code is a significant criterion for assessing the work of an employee when conducting a certification, deciding on incentives, professional or career advancement.
     2. If any matter is not covered by the Code, or if any questions arise regarding the application of its provisions, or if there are doubts about the ethics of their actions or the actions of other employees of the Company, counterparties or other persons interacting with the Company, the employees should consult their line manager and/or to the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest.
     3. If an employee of the Company believes that the action (omission) of another employee is a violation (or entails a violation) of this Code, the employee may draw the employee’s attention to the applicable provisions of the Code stipulating the obligation of employees to refrain from such actions (omission) entailing the alleged violations.
     4. Employees who become aware of existing or impending violations of the law related to the Company’s activities or of the Code, or who have reason to believe that the same may be or have already been committed, are obliged to immediately inform their line manager and/or the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest.
     5. The Company expects that any stakeholder who is not an employee of the Company (for example, a supplier of products or services to the Company, an investor, etc.) will also report any violations on the part of the Company’s employees that have become known to them.
     6. Employees and other persons may apply or report, including anonymously, for questions regarding the provisions of the Code or the facts of its violation. The Company has a hotline feedback channel (e-mail [ANTICORRUPTION@ALROSA.RU](mailto:ANTICORRUPTION@ALROSA.RU); post office box for sending written messages: 24 Ozerkovskaya nab., Moscow, 115184, marked as Trust Line). This information is posted on the Company’s website [www.alrosa.ru](http://www.alrosa.ru) for public access.
     7. The Company guarantees confidential treatment of information received and the applicant’s details, as well as the absence of any adverse consequences (including any harassment or discrimination) in accordance with Clauses 11.2.1.–11.2.5. of the Code. Violation of the anonymity of such applications will be deemed a violation of the principles of this Code.
     8. In the event of a violation of the Code, each employee of the Company or any other stakeholder or the person accused of the violation will have the right to an objective investigation of the deviations from the Code and/or the verification of information that served the ground for such claims, as well as the right to receive the results of the investigation and recommendations for preventing similar violations in the future.
     9. For all facts of violations of the Code identified by the employees of the Company or received through information channels, inspections and/or internal investigations will be conducted in accordance with the established procedure, the materials of which will be reviewed by the Commission for Corporate Code Compliance and Settlement of Conflicts of Interest, which will submit its findings to the Chief Executive Officer—Chairman of the Executive Committee of the Company for consideration and making a decision on the classification of actions of the Company’s employees who have committed the violation of the Code.
  2. Liability for the violation of the Code

1. For an action or omission that violates the provisions of the Code or undermines the reputation of the Company or its employees, depending on the nature of the violation committed by an employee, the employee may be brought to disciplinary responsibility or be subject to other measures prescribed by Russian laws.
2. FINAL PROVISIONS
   1. The Code is approved by the Company’s Supervisory Board and takes effect on the date of its approval. Any amendments to the Code (approval of its new version) will be made based on a decision of the Company’s Supervisory Board.
   2. Amendment procedure:

The Supervisory Board of the Company may at any time, depending on changes in the Russian or international laws or the interests of the Company’s shareholders, partners, creditors or investors, make amendments to this Code, which, however, shall not distort the existing standards of corporate ethics.

* 1. The Code is a public document. The Company publishes the Code and all its amendments for permanent access on its corporate website at: [www.alrosa.ru](http://www.alrosa.ru).