Annex

to Order of AK ALROSA

01/364-P dated 23 November 2022

**REGULATION**

**on the Compliance Hotline of PJSC ALROSA**

2022

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# General Provisions

* 1. The regulation on the compliance hotline of PJSC ALROSA (hereinafter “the Regulation”, “the Company”) is developed to ensure a consistent operating procedure of the PJSC ALROSA’s compliance hotline (hereinafter “the hotline”).
	2. The Regulation defines the key goals, objectives and operating concept of the hotline as well as the procedure for organizing its work, guidelines for the acceptance, processing, consideration and documentation of reports related to different areas of the compliance system, the procedure for monitoring and control of the feedback mechanism.
	3. The Regulation is developed in accordance with the Compliance Policy of PJSC ALROSA based on the international standards and best practices in the management of violation reporting systems (ISO 37002:2021), and meets the requirements of Russian law.

The Regulation extends to the Company, including all its functions, business units and separate divisions.

It is recommended that this document shall be implemented and observed in the Company’s subsidiaries to ensure a consistent approach to the implementation of a common procedure for hotline management in the Company and its subsidiaries that form the ALROSA Group.

For the awareness of all internal and external stakeholders (initiators), the Regulation is published on the Company’s website.

If the Regulation contradicts any other regulations applicable in the Company, the rules defined in the Regulation shall prevail.

# Terms and Definitions

The following terms, definitions and abbreviations are used in this Regulation:

|  |  |  |
| --- | --- | --- |
| Administrator | - | The Company’s function responsible for registration, classification and routing of reports, coordination of process to prepare responses to reports, and other functions described in this Regulation. |
| Compliance hotline (hotline) | - | The system of communication channels and organizational activities that enable initiators to contact the Company concerning a wide range of issues related to its activities in the scope of the compliance system, and enable the Company to timely respond to reports upon their consideration. |
| Initiator | - | A person or group who submit a report via the hotline (including employees, members of the corporate management bodies of the Company and its subsidiaries, as well as other stakeholders — members of the employees’ families, job applicants, labor veterans and former employees of the Company, contractors, suppliers, partners, residents of the regions of the Company’s presence, and others) |
| Company | - | Joint Stock Company “ALROSA” (public joint-stock company), PJSC ALROSA |
| Compliance | - | The Company’s activities aimed to establish a corporate system ensuring compliance with the requirements of the applicable law, internal documents, practices and standards of business behavior and ethics (the compliance system) |
| Compliance risk | - | Risk of legal sanctions or sanctions from regulatory bodies, significant financial loss or damage to the Company’s business reputation as a result of noncompliance with laws, guidelines, regulations, standards, or codes of conduct and codes of business ethics. |
| Compliance system | - | A set of corporate culture elements, values, organizational structure, rules and procedures designed to ensure the Company’s compliance with mandatory requirements, as well as to prevent their violation. |
| Area supervisor | - | A functional unit of the Company responsible for a specific compliance area, and preparation of draft responses to reports. |
| Compliance system areas | - | Anti-corruption compliance. Compliance in the area of ethics and human rights. Compliance in the area of labor protection. Compliance in the area of industrial and fire safety, emergency protection of population and territories. Compliance in the area of physical, economic, information security. Compliance in the area of labor law. Anti-monopoly compliance, environmental compliance.The Company determines the compliance system areas to ensure the maximum compliance with the Company’s existing compliance commitments in the scope of its activities, and control of the relevant compliance risks. The above list of areas is not exhaustive and can be supplemented. |
| Feedback | - | The Company’s response to/message in response to an initiator’s report. Feedback is deemed an important tool of communication with the initiators, building relationships between the Company and third parties. |
| Report | - | A suggestion, question, statement or complaint related to any area of the compliance system that is submitted via any hotline communication channel in writing, verbally or as an electronic document. |
| Object of report | - | A person/group associated with a violation, with respect to whom a report is raised. |
| DICC | - | The Company’s Department for Internal Controls and Compliance |
| Contractor | - | An independent organization — an integrated independent call-center that registers the reports received by the hotline over the telephone. |
| Editor | - | A Company’s functional unit responsible for stylistic editing of responses to the hotline reports. |
| IAD | - | The Company’s Internal Audit Department |
| MPRD | - | The Company’s Marketing and PR Department |
| DDS | - | A digital data storage |

# Goals, objectives and operating concept of the hotline

* 1. The goals of the hotline are to:
* Increase the effectiveness of measures aimed to prevent within the Company violations of legal requirements, provisions of the Company’s internal regulatory documents, business ethics code;
* Establish conditions to identify within the Company violations related to all areas of the compliance system, as well as their causes and facilitating factors;
* Prevent or minimize the level of compliance risks;
* Increase the level of confidence of the employees and other stakeholders in the Company and its subsidiaries, as well as in the Company’s security system.
	1. The hotline ensures that the following objectives are achieved:
* Ensuring an effective, reliable and accessible mechanism of feedback between the Company and its stakeholders;
* Ensuring timely receipt, registration, consideration of reports related to the prerequisites and actual violations of legal requirements, provisions of the Company’s internal regulatory documents, business ethics code within the Company;
* Coordinating the activities of the Company’s departments during the consideration of reports;
* Prompt responding to the initiators’ reports;
* Reviewing the causes of identified violations to improve the Company’s internal procedures and internal documents.
	1. The hotline operates based on the following principles:
* **Legal compliance:** all participants of the process shall comply with the requirements of applicable law and provisions of the Company’s internal regulatory documents, including the requirements related to human rights protection, protection of personal data, trade secrets and other confidential information;
* **Accessibility:** the information concerning the hotline and its operating procedure shall be available, and the hotline’s communication channels shall take into consideration the needs and capabilities of various groups of stakeholders to submit a report and receive a feedback in a convenient form;
* **Predictability:** the information concerning the stages of the hotline report consideration process, including the duration of each stage, shall be available to any stakeholder;
* **Equality:** the hotline report consideration process shall ensure equal conditions of report consideration, including anonymous reports, regardless of the nature of report and status of initiator;
* **Transparency:** stakeholders shall get correct and timely information on the stages of the hotline report consideration process, including the preparation and delivery of response, as well as the duration of each stage;
* **Confidentiality:** the information that becomes known during the consideration of any report constituting a trade secret, as well as personal data of initiators shall be confidential and may not be disclosed;
* **Protection of initiators:** measures shall be taken to prevent prosecution of any initiator who reported any known or potential violations;
* **Quick response and effectiveness:** compliance with the duration of the report consideration process stages, preparation and delivery of responses to initiators, mandatory measures to eliminate/prevent identified violations, follow-up control.

# Management of the hotline operation

* 1. The hotline is managed by the participants of the report consideration process (hereinafter: “the process”) defined in the Regulation.
	2. The process consists of the following stages:
* Receive and register the report;
* Classify and route the report;
* Consider the report, prepare and send the response;
* Create summaries of reports.
	+ 1. The flow chart of the process is given in Annex 1 to the Regulation.
	1. The process participants are:
* Initiator;
* Contractor;
* Administrator (a DICC employee appointed by the head of department);
* Editor (a MPRD worker appointed by the head of department);
* Area supervisor — a responsible worker of a Company’s department appointed to respond based on the classifier of hotline reports.
	+ 1. The functions are distributed between the process participants as described in Annex 2 to the Regulation.
	1. Process stages, responsible owners, duration and other hotline process criteria are described in the process stage procedure in Annex 3 to the Regulation.
	2. Each process stage produces certain results defined in Annex 4 to the Regulation.
	3. The administrator shall make sure that the deadlines of the stages are met.
		1. If the deadlines are not met, the administrator shall send information on a delayed stage/causes of the delay to the line manager of the responsible hotline process participant.
	4. The Company’s employees cannot be the process participants, if their participation in the consideration of a report can result in a conflict of interests.
		1. The decision to replace process participants due to the reasons defined in item 4.7 hereof is taken by:
* The administrator, upon agreement with the Company’s management — with regard to area supervisors as defined in Annex 5 hereto;
* The area supervisors — with regard to any other process participants.
	1. To promote the hotline, the Company shall regularly (at least once a month) make the current information concerning the hotline available to the Company’s staff in accordance with a media plan developed by the MPRD and agreed with the DICC, using the following communication channels:

4.8.1 The “Vestnik ALROSA” newspaper;

4.8.2 Corporate email;

4.8.3 Corporate website;

4.8.4 “Almazny Krai (TV plus radio)” Media Company;

4.8.5 Corporate monitors at JVs, subsidiaries and affiliates;

4.8.6 Posters and other materials.

* 1. To improve the management of hotline operation, its performance is analyzed and assessed.
		1. The effectiveness of the key hotline components is assessed by:
* The IAD, as a part of the audit of compliance system performance;
* Administrator assesses the hotline performance based on the time of stage completion and other hotline performance criteria.

# Submission and registration of reports

* 1. Initiators have a right to contact the hotline to:
* Inform about potential violations in any area of the compliance system, including but not limited to: regulations on labor protection, industrial and environmental safety, business ethics code, provisions of internal policies and procedures, codes, documents of the Company and its subsidiaries;
* Inform about potential violations of the applicable law of the Russian Federation, including those related to the human rights;
* Inform about fraudulent acts (theft, corruption and other actions) affecting the security of assets of the Company and its subsidiaries;
* Inform about other violations and wrongful acts;
* Receive answers to questions arising as a result of the activities of the Company and its subsidiaries;
	1. The hotline reports shall be submitted via the following communication channels:
* Telephone line;
* Email;
* Messenger;
* Web portal.
	+ 1. The specific addresses and the procedure of using the channels are defined in section 9 hereof.
	1. Before the submission of a hotline report, it is recommended that the initiator shall make sure that the issue has not been resolved by a direct or line manager, managers of other departments, except the cases where the object of report is a direct or line manager, or managers of other departments.
	2. It is not permitted to submit hotline reports that:
* Do not comply with rules of business communication, contain abusive language, obscene words, threats and etc.;
* Have advertising, entertaining content, including sponsorship or charity, as well as offers for lease or sale apartments, offers from HR agencies, offers to participate in tenders held by other companies;
* Are illegible;
* Contain information known to be false, slander etc.;
	+ 1. The reports listed in item 5.4 will not be accepted.
	1. Anonymous reports
		1. When submitting a hotline report, an initiator may remain anonymous. There is no direct substantive response to anonymous reports to prevent information leakage.
		2. If a report contains personal data of the initiator, or the initiator provides such data later, the administrator shall clarify with the initiator whenever he/she agrees that the data can be disclosed to:

a) responsible persons perform investigation, and possibly forward the matter to field managers;

b) only to the Company;

c) only for feedback after the investigation is finished.

* + 1. For anonymous reports, information on their status will be provided.
	1. The administrator registers the reports, including those forwarded by a contractor (in accordance with the procedure described in Annex 3 hereto), based on their dates of delivery and communication channel in the DDS.
	2. The administrator informs the initiator whether their reports are accepted for consideration.

# Classification and routing of reports

* 1. The hotline administrator:

6.1.1 Reviews the registered reports to make sure that they contain the necessary information and, if needed, requests any additional information from the initiator;

6.1.2 Classifies the reports containing all necessary information according to the hotline report classifier (see Annex 5 hereto);

6.1.3 Sends the reports to the area supervisor for consideration.

# Consideration of reports, preparation and provision of responses

* 1. Reports are considered by the area supervisor or a person appointed by the area supervisor, as well as the administrator, within his/her competence as provided in Annex 3 hereto.

If necessary, the area supervisor may requests other persons to participate in the consideration of reports.

* 1. During the consideration of a report, the area supervisor may:
* Request any additional information with regard t the report;
* Request data and documents from related departments;
* Hold interviews and carry out other activities to check information contained in the report;
* Analyze the obtained information and applicable regulations;
* Request the employees of related departments to check information related to the report;
* Request opinions from relevant departments concerning the information contained in the report.
	1. The received reports can be considered either according to a normal procedure or according to a special procedure. The special procedure is intended for the reported subjects that, according to the expert opinion of the area supervisor, meet at least one of the below criteria:
* the report contains information concerning a violation with the potential loss of at least 1 mln rubles;
* the report concerns the senior management of the Company and/or its business units, separate divisions, subsidiaries;
* the circumstances described in the report may result in the Company’s reputation risks, criminal or administrative liability for the employees or officers of the Company, or the Company’s administrative liability;
* the report contains information on a violation which is long-lasting and takes place now, or a potential violation which can be prevented.
	1. The special procedure can involve any additional internal investigation procedures, as well as a change of the report consideration deadlines.
	2. The area supervisor may initiate a discussion of the issue at the PJSC ALROSA’s committee for corporate ethics and conflicts of interest within its competence and according to the procedure described in the Regulation on the PJSC ALROSA’s Committee for corporate ethics and conflicts of interest.
	3. Based on the results of report consideration, the area supervisor shall make a substantive decision and write a draft response, taking into account the procedures described in Annex 3 hereto.
	4. The administrator is responsible for keeping the initiator’s data confidential, providing feedback, recording of reports and instructions, monitoring of instructions issued upon internal audits, issuing summaries, and performing any other activities as described in Annex 3 hereto.

# Summaries of reports

* 1. The administrator is responsible for making summaries of the submitted hotline reports that shall specify the communication channels, areas, instructions performed upon consideration, to inform the management about the hotline operation.
	2. The summaries are automatically created in the DDS as necessary, at least two times a year (for 01.01 and 01.07 annually).
	3. The hotline operation report is included in the report of the internal audit system.

# Ensuring confidentiality and personal data protection

* 1. The Company ensures confidentiality of the initiator’s personal information within its authority and capabilities in accordance with Federal law 152-FZ “On personal data” dated 07.27.2006, except for the situations where the initiator voluntarily provides his/her information for general access.
	2. The initiator gives his/her consent for the processing of his/her personal data when sending a report via the Company’s approved online feedback form which includes such consent.
	3. The administrator forwards the hotline reports for further checking, investigation or preparation of responses without indication of personal data of the initiator, except for the situations where the initiator confirms his/her consent for the disclosure of his/her personal data to the report consideration process participants in writing, and this confirmation was confirmed in a letter.
	4. The administrator and other report consideration process participants who have access to the hotline (according to item 4.3 hereof) may not disclose to other Company’s employees or third parties the initiator’s personal data or the information received via the hotline based on which it is possible to identify the initiator. Exceptions are possible in the situations provided by the effective Russian law.
	5. The Company is not responsible for keeping confidential the information concerning the initiator’s identity if he/she voluntarily, including carelessly, discloses the fact of sending a hotline report to the Company’s employees or third parties.
	6. If there is no feedback connection with the initiator, the report is considered based on available information.

# Hotline communication channels

* 1. Hotline reports are submitted by the initiators via the following communication channels according to the following procedures:
		1. Over the telephone.

Phone number: 8-800-234-21-52.

1) Phone calls are received and processed by a contractor organization not associated with the Company (a contractor), including with the observance of the initiator’s anonymity.

2) Phone calls are received from 5 a.m. to 6 p.m. (UTC +3 Moscow[[1]](#footnote-1)) on the workdays. All other time, voice mail is on.

3) Reports shall include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident, and contact data for feedback.

4) If the initiator wishes to remain anonymous, the contact data can be omitted. In this case, no feedback will be provided.

5) Reports are registered via hotline.alrosa.ru in the name of the contractor.

6) To clarify any questions and to provide a response, the administrator will contact the initiator, provided that his/her contact data are available.

7) If there is not enough information for the consideration, and the report is anonymous, the administrator may decide not to accept such report for consideration.

* + 1. Reports via hotline@alrosa.ru.

1) Reports are received and processed by the administrator (a DICC employee).

2) Reports are received 24/7 on any day of the week.

3) Reports shall include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident, and contact data for feedback.

4) Any relevant files can be attached.

5) If the initiator wishes to remain anonymous, the contact data can be omitted.

6) To clarify any questions and to provide a response, the administrator will contact the initiator via his/her contact data or email address.

7) If there is not enough information for the consideration, and the report is anonymous, the administrator may decide not to accept such report for consideration.

* + 1. Reports via WhatsApp from personal devices.

Phone number: 8-916-192-47-18.

1) Reports are received and processed by the administrator (a DICC employee).

2) Reports are received 24/7 on any day of the week.

3) Reports shall include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident, and contact data for feedback.

4) Any relevant files can be attached.

5) If the initiator wishes to remain anonymous, this must be specified in the report. In this case, a WhatsApp phone number in from which the report was sent will be used to provide feedback.

6) To clarify any questions and to provide a response, the administrator will contact the initiator using his/her contact data or WhatsApp phone number.

7) If there is not enough information for the consideration, and the report is anonymous, the administrator may decide not to accept such report for consideration.

* + 1. Reports via the online feedback form.

Feedback form: hotline.alrosa.ru.

1) Reports are submitted using the Company’s approved web form and processed by the Administrator.

2) To submit an anonymous report, select “Anonymous” type and perform the following steps:

a) Select the Company’s business unit/subsidiary involved with the report from the drop-down list;

b) Select the most relevant subject from the drop-down list;

c) Select the severity level according to the initiator’s opinion;

d) Include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident;

e) Attach any relevant files

3) To submit a report with personal data, select “Send a form with personal data” type and perform the following steps:

a) Specify full name;

b) Specify email address for feedback;

c) Write a password to access the report later;

d) Select the Company’s business unit/subsidiary involved with the report from the drop-down list;

e) Select the most relevant subject matter from the drop-down list;

f) Select the severity level according to the initiator’s opinion;

g) Include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident;

h) Attach any relevant files.

4) The result of consideration will be available on hotline.alrosa.ru and accessible using a unique code.

5) To clarify any matters and provide a response, the administrator will contact the initiator using his/her contact data or via hotline.alrosa.ru (for anonymous reports).

6) If there is not enough information for the consideration, and the report is anonymous, the administrator may decide not to accept such report for consideration.

* 1. List of the hotline communication channels is constantly updated to cover all possible means of communication with the initiators.
	2. The current list of channels is provided taking into account the updates on the Company’s hotline.alrosa.ru site

# Relationship between the hotline and other Company’s feedback tools

* 1. In addition to the hotline, the Company has other feedback tools related to procurement, labor protection, corruption and security, document management and other matters.
	2. Reports received via channels other than the hotline will be considered by area supervisors according to the procedures and within periods defined in the respective Company’s internal regulatory documents.
		1. Reports sent to **info@alrosa.ru** will be considered in accordance with the Regulation on document management in PJSC ALROSA.
	3. To prevent corrupt practices in the Company and report on abusive incidents, an initiator may submit a report directly to the Company’s security service.
		1. Such reports should be sent to**anticorruption@alrosa.ru** according to the following procedure*:*

1) Reports are received and processed by a security officer of the Company.

2) Reports are received 24/7 on any day of the week.

3) Reports shall include a reference to the Company’s business unit involved in the violation, subject matter, detailed description of the circumstances that can be useful for the investigation of the incident, and contact data for feedback.

# Final Provisions

* 1. The Regulation takes effect on the day of approval by *the Company’s order.*
	2. The Chief Executive Officer — Chairman of the Executive Committee of the Company — will make sure that the Regulation is complied with.
	3. The Regulation can be subject to changes and updates if the receipt of reports is automated, the procedure for report handling is changed, the Company’s organizational structure or other major conditions of the Company’s operation, its bodies, business or functional units change.
	4. This Regulation is changed and updated according to the same procedure as its approval.

# Annex 1

to the Regulation on compliance hotline of

PJSC ALROSA

**FLOW CHART**

**for the compliance hotline report consideration**



Correction needed?

Receiving reports over telephone

Receiving reports
via online form

Checking

Submitting reports over telephone

Sending response
to the initiator

HL-1 Receiving and processing reports

Correction needed?

Checking response for completeness

Registering reports in the DDS

reports for completeness

Report to Hotline@alrosa.ru

Report via WhatsApp

8-916-192-47-18

Making reports via
the online form

Additional information

Report over telephone

needed?

No

Yes

Additional info

Report ready for submission

Consideration
of report

No

Preparing
response

Administrator (DICC)

Initiator

Contractor

Receiving reports

Registering

responses
in the system

Yes

Processing related information

Sending
response

Stylistic editing

Needs correction

Routing reports

Receiving reports via messenger

Classification of reports

Requesting further information

Receiving reports
by email

HL-1-11

Area supervisor

Editor (MPRD)

# Annex 2

to the Regulation on compliance hotline of

PJSC ALROSA

**DISTRIBUTION OF FUNCTIONS**

**between process participants**

| **#** | **Functions** | **Initiator** | **Contractor** | **Administrator** | **Editor** | **Area supervisor** |
| --- | --- | --- | --- | --- | --- | --- |
| 1. | Submission of reports | ✓ |  |  |  |  |
| 2. | Registration of reports |  | ✓ | ✓ |  |  |
| 3. | Classification of reports |  |  | ✓ |  |  |
| 4. | Consideration of reports |  |  |  |  | ✓ |
| 5. | Preparing responses to reports |  |  |  |  | ✓ |
| 6. | Stylistic editing |  |  |  | ✓ |  |
| 7. | Checking response for completeness |  |  | ✓ |  |  |
| 8. | Sending responses |  |  | ✓ |  |  |
| 9. | Checking the implemented of decision made in response to report (if any) |  |  | ✓ |  |  |
| 10. | Preparing summaries of reports |  |  | ✓ |  |  |

# Annex 3

to the Regulation on compliance hotline of

PJSC ALROSA

**PROCEDURE FOR**

**the hotline process implementation**

| **#** | **Stage/step** | **Description** | **Inputs** | **Outcomes** | **Responsible person** | **Frequency (deadline)** | **Comments** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1. Receiving and registering reports** |
| 1.1. | Receiving reports over telephone | * Receiving reports over telephone
 | * Reports from initiators via communication channels
 | * Reports received over telephone
 | Contractor | On the day of submission |  |
| 1.2. | Submitting reports over telephone | * Sending reports to the administrator via a secure MS Excel book
 | * Reports received over telephone
 | * Report over telephone
 | Contractor | One business day upon receipt |  |
| 1.3. | Receiving reports over telephone | * Receiving reports via secure MS Excel book
 | * Reports received via communication channels
 | Reports received via communication channels  | Administrator | One business day upon receipt |  |
| 1.4. | Receiving reports by email | * Receiving reports by email

HOTLINE@ALROSA.RU; | * Reports from initiators via communication channels
 | * Reports received via communication channels
 | Administrator | On the day of submission |  |
| 1.5. | Receiving reports via messenger | * Receiving reports via WhatsApp 8-916-192-47-18
 | * Reports from initiators via communication channels
 | * Reports received via communication channels
 | Administrator | On the day of submission |  |
| 1.6. | Receiving reports via online form | * Receiving reports at hotline.alrosa.ru;
 | * Reports from initiators via communication channels
 | * Reports received via communication channels
 | Administrator | On the day of submission |  |
| 1.7. | Registering reports in the DDS  | * Registering reports in the system including reference no., date of registration, communication channels
 | * Reports received via communication channels
 | * Reports registered in DDS
 | Administrator | One business day upon receipt |  |
| **2. Classification of reports** |
| 2.1. | Checking reports for completeness | * Checking for completeness of information necessary to register reports
* Removal of duplicates, spam, incomplete anonymous reports
 | * Reports registered in the system
 | * Reports ready for further consideration
* Incomplete reports for which information can be requested
* Incomplete anonymous reports/spam
 | Administrator | On the day of submission |  |
| 2.2. | Requesting further information | * Adding information required for registration
 | * Incomplete reports for which information can be requested
 | * Reports ready for further consideration
 | Administrator | On the day of submission |  |
| 2.3. | Classification of reports | * Classification by subject matters relevant for the hotline, definition of area supervisors responsible for responses
 | * Reports registered in the system
 | * Reports classified by compliance areas
 | Administrator | One business day upon receipt by the administrator |  |
| 2.4. | Routing/sending reports to relevant departments | * Sending reports to area supervisors responsible for consideration of hotline reports
 | * Reports classified by hotline areas
 | * Reports sent to supervisors in lines with hotline areas
 | Administrator | One business day upon receipt by the administrator |  |
| **3. Consideration of reports, preparation and delivery of responses** |
| 3.1. | Processing related information | * Considering related information, checking whether the violation is confirmed
 | * Reports sent to supervisors in lines with hotline areas
* Suggestions for response correction
 | * Reports sent for consideration and additional info thereto
* Initiating discussion in the ALROSA Committee for corporate ethics and conflicts of interest
* Initiating consideration to prepare response and decide on further steps
 | Area supervisor | At the discretion of the supervisor, within 30 calendar days |  |
| 3.2. | Consideration by the area supervisor | Informing the administrator of the beginning of internal auditConducting an internal audit together with the administratorIf the report requires an internal investigation, the investigation will be conducted according to a procedure established by internal regulatory documents.Consideration of the report based on the results of the internal audit or investigation. | Initiating consideration to prepare response and decide on further steps | Making decision based on the results of consideration to prepare response | Area supervisor | If prolongation is necessary, the supervisor informs the administrator. The administrator informs the initiator about the internal investigation of the report and postponement of the response. |
| 3.4. | Preparing response | * Analyzing information received upon internal audit (investigation) of the report, writing a response
 | * Reports forwarded for consideration
* Information received upon internal audit
 | * Responding within the scope of competence of the area supervisor
 | Area supervisor |  |
| 3.5. | Stylistic editing | * Correcting the grammar and style of the response
 | * Responding within the scope of competence of the area supervisor
 | * Corrected response within the scope of competence of the area supervisor
 | Editor | One business day upon submission to the editor | If the supervisor does to send the response for editing, the administrator requests the response from the supervisor and sends it for editing |
| 3.6. |  Writing a final response | * Accepting/rejecting the editor’s corrections and sending the response to the administrator
 | * Corrected response within the scope of competence of the area supervisor
 | * Final response within the scope of competence of the area supervisor
 | Area supervisor | One business day upon receipt by the area supervisor |  |
| 3.7. | Checking response for completeness | * Comparing the report and the response thereto, checking the response for completeness and compliance with the effective Company’s IRDs
* Developing suggestions for response improvement
* Making sure that the instructions issued in the response are followed
 | * Final response within the scope of competence of the area supervisor
 | * Final corrected (if necessary) response approved by the administrator
* Suggestions for response correction
* Instructions issued in response to the report and their communication to performers
 | Administrator | One business day upon submission to the administrator |  |
| 3.8 | Registering the response | * Registering the response in the system
* Sending the response to the initiator via the communication channel specified in the report
 | * Final approved and corrected (if necessary) response from the area supervisor
 | * Response registered in the system
* Response sent to the initiator
 | Administrator  | On the day of response receipt by the administrator |  |
| **4. Summaries of reports** |
| 4.1. | Summaries of reports | * Making a summary of the submitted hotline reports that shall specify the communication channels, areas, instructions performed upon consideration, to inform the management about the compliance hotline operation.
 | * Reports registered in the system
* Responses registered in the system
* Instructions issued in response to reports
* Information on the execution of instructions
 | * Statistical summary on hotline operation over a certain reporting period, including details of areas, reports, channels, instructions during response preparation and their execution
 | Administrator | * As necessary, but at least twice a year (for 01.01 and 01.07 each year)
 | Automatically from the DDS |

# Annex 4

to the Regulation on compliance hotline of

PJSC ALROSA

**OUTCOMES**

**of Process Stages**

| **Hotline Process Stage** | **Outcomes** |
| --- | --- |
| 1. Receiving and registering reports | * Reports received via the following communication channels:
	+ Telephone
	+ Email
	+ Messenger
	+ Web portal
* Registered reports with the indication of the date of registration and communication method for all communication channels
* Reports not suitable for consideration
* Notification that the report is accepted or rejected for the initiator
 |
| 2. Classification and routing of reports | * Reports classified by compliance areas and routed to area supervisors
 |
| 3. Consideration of reports, preparation of responses | * Related information checked, violations confirmed/not confirmed.
* Audit conducted
* Responses prepared by area supervisors
* Stylistic editing
* Final responses checked for completeness and ready to be sent to the initiator
* Notification on the readiness of the response for the initiator
 |
| 4. Summaries of reports | * Summary with the indication of areas, reports, response time, communication channels, instructions issued as a part of responses and their execution
 |

# Annex 5

to the Regulation on compliance hotline of

PJSC ALROSA

**CLASSIFIER**

**of compliance hotline reports**

| Subject of report | Description of subject | Area supervisor |
| --- | --- | --- |
| Labor conditions, business ethics and human rights | Labor conditions, labor rights, labor law and provisions of the Company’s IRD as well as human rights (including discrimination, harassment, bulling and other forms of human right violations), personnel training, interactions between the Company’s employees | Deputy CEO — HR director of the Company |
| Combating corruption | Situations involving bribery and corruption, abuse of office, frauds, thefts and other wrongdoingsanticorruption@alrosa.ru | Head of the Company’s Security Service |
| Anti-money laundering/terrorism financing/proliferation of mass destruction weapons | Situations involving prevention of legalization (laundering) of illegal earnings, financing of terrorism and financing of the spread of mass destruction weapons | Head of the Company’s Financial Controlling department |
| Occupational Health and Safety | Situations involving industrial safety, fire safety, occupational health and violations of traffic rules at the Company’s sites | Deputy executive director of the Company (for industrial safety and occupational health) |
| Environment protection | Situations involving the impact on natural environment, plants and animals, environmental accidents and incidents as well as life of the small indigenous Arctic ethnic groups at the areas near the activities of the Company and its subsidiaries. | Deputy chief engineer for environment and relationship with small indigenous Arctic ethnic groups, head of the Company’s environmental center |
| Procurement | Situations involving procurement processes | Deputy CEO of the Company (responsible for procurement) |
| Information security, including confidential information and personal data | Disclosure of confidential information and violations of information security | Head of the Information Security Center |
| Insider information/the Company’s management bodies | Issues involving insider information and support of the Company’s management operations | Head of the Corporate Support Department — corporate secretary of the Company |
| Products/sales | Issues involving the diamond sales process and pre-sale preparation, shipping etc.Reports will be forwarded to the hotline of the “ECO ALROSA” branchsales@alrosa.ru  | Customer policy center of “ECO ALROSA”, a branch of JSC ALROSA |
| Issues related to the Common Service Center | Issues related to payroll accounting, bonuses, deductions etc. and others related to the resource managementReports will be forwarded via the CSC’s ticket record system <http://ssc.alrosa.ru/>  | Head of the Operating Efficiency Department of “ALROSA Business Service” LLC |
| The Idea Factory of the Center for Production System Development | Suggestions for improving the Company’s processesReports are forwarded to the Idea Factory site:<https://idea.alrosa.ru/front/> | Director of the Center for Production System Development of the Company |
| General issues | General issues related to the Company’s activitiesReports will be forwarded to vopros@alrosa.ruReports will be considered according to the provisions of this Regulation. | Head of the PR service of the Marketing and PR department of the Company |
| Others | Other reports that cannot be included in the above categories | Determined by the administrator  |

1. or from 9 a.m. to 10 p.m. UTC +7 in Novosibirsk, or from 11 a.m. to 12 a.m. UTC +9 in Mirny [↑](#footnote-ref-1)