APPROVED

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**POLICY**

**on Engagement with Indigenous Peoples**

2023

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**INTRODUCTION**

About 47 indigenous minorities, over 300,000 people in total, live in the Russian Federation. These peoples have their own unique cultural characteristics, being at the same time united by a number of common values and a common objective to preserve their identity, the right to evolve on their lands and territories in accordance with their own priorities and beliefs about well-being. For indigenous peoples, traditional economic activities not only provide the basis of sustenance, but also are a pillar of their culture, worldview, folklore, rituals, holidays, folk education, traditions, and the preservation of the intergenerational continuity.

The basis of the economy in the places of traditional residence of indigenous minorities is the development of entrepreneurship in services and tourism industries, the creation of petty commodity production, the development of arts and crafts, including the production of traditional products, traditional types of nature management, processing of agricultural products. This provides an increase in employment and self-employment of the indigenous peoples through the mobilization of internal resources of households and communities.

However, the acceleration of the economic development of territories of indigenous minorities’ traditional residence causes low competitiveness of goods, works and services of indigenous peoples and poses a threat to their livelihoods.

In response to the ever-increasing pressure and changes taking place in the world of indigenous peoples, various efforts are made both via government regulation and by the world community.

ILO Convention No. 169 on Indigenous and Tribal Peoples, which entered into force in 1991, was one of the first international instruments on the rights of indigenous minorities. The United Nations General Assembly adopted the Declaration on the Rights of Indigenous Peoples in 2007; it declared the right of indigenous peoples to a decent life, to preserve and develop their own culture and institutions, as well as the right to develop the people in the way they consider the most appropriate to their needs and aspirations. The main legislative act of the Russian Federation in the field of on protecting the indigenous peoples’ rights is the Constitution of the Russian Federation, as well as the Federal Law “On Guarantees of the Rights of Indigenous Peoples of the Russian Federation” adopted in 1999, the latter establishing a comprehensive legal regulation of the vital problems of indigenous peoples of Russia at the federal level.

PJSC ALROSA (hereinafter “the Company” and/or “ALROSA”) is fully aware that the traditional systems supporting life of indigenous peoples are inextricably linked with the use of natural resources. When carrying out its own production activities in places of traditional residence and traditional economic activities of indigenous peoples the Company follows the generally recognized principles of respect and the rights of indigenous peoples established in the national policy of the Russian Federation and international standards.

# 1. General provisions

The main production and economic activities of ALROSA which directly or indirectly affects the interests of indigenous peoples are concentrated on the territory of the Republic of Sakha (Yakutia). Evenks, Evens, Dolgans, Yukaghirs, Chukchis live in the largest region of the Company’s presence. These peoples account for more than 3% of the total population of Yakutia.

The originality of the minorities living on a vast territory with harsh climatic conditions and the high sensitivity of the traditional way of life of the indigenous peoples to external influences represent the Republic’s feature determining special approaches to its social and economic development.

The traditional economic patterns of indigenous peoples are represented by such activities as reindeer husbandry, hunting animals and game, fishing, gathering wild berries and medicinal plants. The areas of traditional natural resource use include the following:

– settlements, including settlements of temporary importance and temporary population structure, stationary dwellings, camps, camps of reindeer herders, hunters, fishermen

– land and water areas used for traditional natural resources use and traditional way of life, including reindeer pastures, hunting and other lands, sections of water areas for fishing, collecting wild plants

– historical and cultural heritage sites, including places of worship, sacred places of ancient settlements and burial places of ancestors.

Indigenous peoples have the right to use natural resources located in the territories of traditional natural resource use and traditional economic activities in accordance with their customs, and also have the right to use commonly occurring mineral resources located in the territories of traditional natural resources use with no charge.

Yakutia is one of the most important strategic regions of Russia providing the main state industries with a mineral resource base and playing an important role in the foreign trade activities of the Russian Federation. Mining creates certain conditions for traditional types of nature management, which is especially important for peoples leading a traditional way of life.

Being the largest subsoil user of Yakutia, ALROSA considers building effective cooperation with indigenous peoples and creating conditions for the sustainable development as an integral process of the planned economic and other activities at all stages.

The provisions of this Policy are subject to compliance by all structural divisions of the Company and are recommended for implementation by subsidiaries and companies (collectively referred to as the ALROSA Group) as a basis for developing their own Policies.

# 2. Referenced codes and standards

This Policy includes references to the provisions of the following regulatory and organizational documents:

– Constitution of the Russian Federation, adopted on 12.12.1993, with amendments as of 01.07.2020;

– “Land Code of the Russian Federation” No. 136-FZ dated 25.10.2001;

– Federal Law “On Guarantees of the Rights of Indigenous Minorities of the Russian Federation” No. 82-FZ dated 30.04.1999;

– Federal Law “On Territories of Traditional Nature Management of Scanty Indigenous Populations of the North, Siberia and the Far East” No. 49-FZ dated 07.05.2001;

– Law of the Republic of Sakha (Yakutia) “On the Territories of Traditional Nature Management and Traditional Economic Activities of the Indigenous Minorities of the North of the Republic of Sakha (Yakutia)” No. 370-3 No. 755-III dated 13.07.2006;

– Law of the Republic of Sakha (Yakutia) “On the Strategy for the Social and Economic Development of the Republic of Sakha (Yakutia) until 2032 with a Target Perspective until 2050” No. 2077-3 No. 45-VI dated 19.12.2018;

– Convention on Indigenous and Tribal Peoples in Independent Countries (Convention No. 169), adopted on 27.06.1989 by the General Conference of the International Labor Organization at its seventy-sixth session;

– United Nations Declaration on the Rights of Indigenous Peoples adopted by the General Assembly on 13.09.2007.

# 3. Terms and Definitions

This Policy uses the following terms:

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| **Engagement with indigenous minorities** | A process that helps to account for the specifics of the traditional way of life, natural resource use, economic activity and crafts of indigenous peoples and determines the key principles of a long-term partnership. |
| **Stakeholders** | Individuals and legal entities or a group of individuals that influence the activities of ALROSA and/or may be affected by the activities. |
| **Original habitat of minorities** | A historically developed area within which minorities carry out cultural and everyday activities. The area affects their self-identification and lifestyle. |
| **Indigenous minorities** | Peoples living in the territories of traditional settlement of their ancestors, preserving their traditional way of life, economic activity and crafts, numbering less than 50 thousand people in the Russian Federation and recognizing themselves as independent ethnic communities. |
| **Planned economic and other activities** | Activities that can have an impact on the original habitat of minorities and the sociocultural situation in places of traditional residence and traditional economic activities and in the territories of traditional nature management of minorities. |
| **Communities and other forms of public self-government** | Forms of self-organization of persons belonging to minorities and united according to consanguinity (family, clan) and/or territorial-neighborly principles, created to protect their original habitat, preserve and develop traditional lifestyles, economic activities, crafts and culture. |
| **Customs of the indigenous minorities of the North, Siberia and the Far East of the Russian Federation** | The rules of traditional natural resources use and traditional way of life traditionally established and widely used by the indigenous peoplesof the North, Siberia and the Russian Far East. |
| **Territory of presence** | Territories located within the boundaries of the administrative and territorial units of the Russian Federation entities, where ALROSA carries out production and other activities. |
| **Territories of traditional nature management of the indigenous minorities of the North, Siberia and the Far East of the Russian Federation** | Specially protected territories formed for the traditional nature management and the traditional way of life of the indigenous minorities of the North, Siberia and the Far East of the Russian Federation. |
| **Traditional natural resources use by the indigenous minorities of the North, Siberia and the Far East of the Russian Federation** | Historically established methods of using objects of the animal and plant world, other natural resources by the indigenous peoplesof the North, Siberia and the Far East of the Russian Federation ensuring sustainable natural resources use. |
| **Traditional way of life of minorities** | A historically established way of sustenance for minorities based on the historical experience of their ancestors in the field of nature management, original social organization of living, original culture, preservation of customs and beliefs. |
| **Authorized representatives of minorities** | Individuals or organizations that represent the interests of these peoples in accordance with the legislation of the Russian Federation. |

# 4. Goals and objectives of the Policy

4.1. This Policy sets the following main goal:

– enable sustainable development and implementation of the Company’s planned economic and other activities while maintaining opportunities for traditional economic activities and ethnocultural traditions of indigenous peoples based on constructive engagementand long-term cooperation with them.

4.2. This goal defines the following objectives for all life cycles of the planned economic and other activities of ALROSA:

– involvement of indigenous peoples and other stakeholders in consultations and negotiations, creation of an effective communication system based on mutual respect, trust and a balance of interests

– guidance by the best world practices of engagingbetween mining companies and indigenous peoples and a consistent implementation of appropriate approaches in ALROSA activities, considering the specifics of the territories of presence, ethnic and cultural specifics and the Company’s priorities

– design and implementation of social and economic support measures. Improving the institutional environment and capabilities of ALROSA in order to respond to the requests of indigenous peoples and organizations representing them

– incorporate indigenous peoples’ issues in the Company’s work that affects or supports those peoples’ traditional agriculture

– study of social and cultural conditions and taking steps towards development based on human rights, as well as on the idea that everyone should live with dignity and be able to enjoy the highest human standards guaranteed by the Constitution of the Russian Federation and international law.

# 5. Policy implementation Principles

Engaging with indigenous minorities is based on the following basic principles:

– respect for self-determination and the right of indigenous peoples to evolve on their lands and territories in accordance with their own priorities and beliefs about well-being

– development and preservation of identity, understanding that the Company’s development should not pose a threat to the social and cultural norms, values and traditions of indigenous peoples

– transparency and provision of complete, timely and understandable information

– participation and involvement of peoples, including prior and free consent, when discussing projects of planned economic and other activities of ALROSA affecting their legitimate interests

– compliance with the requirements and observance of normative legal acts of the Russian Federation and the member of the Russian Federation.

# 6. Policy implementation instruments

The implementation of the Policy requires the following processes:

6.1. Analysis of the external environment and identification of territories of traditional natural resource use at the territory of presence, determination of features related to lifestyle, natural resource use and crafts, sacred places and places of worship, as well as considering the information received during the planning processes.

6.2. Provision of communication channels through which peoples can not only send requests, complaints and suggestions (in particular, through the ALROSA Hotline), but also get access to complete, timely and understandable information.

Creation of opportunities for the participation of indigenous peoples and their authorized representatives in the discussion of the planned economic and other activities affecting their legitimate interests.

Organization of own venues and participation in those of third parties to identify issues of indigenous peoples’ concerns related to the Company’ s activities, as well as assistance in their solution. Participation in international projects and initiatives that promote the engagement with indigenous peoples and exchange of the best practice on it.

6.3. Carrying out research with the involvement of authorized institutions and expert organizations, assessing the impact on the ethnological environment, ensuring the provision of data for ethnological examination.

6.4. Conducting industrial environmental control and monitoring of operating facilities, determining quantitative and qualitative indicators of the impact of production facilities on environmental objects, analysis of the data obtained, reporting.

6.5. Implementation of measures to prevent risks and implementation of activities that promote the rational use of natural resources, restoration of disturbed lands and biodiversity.

6.6. Elimination of any form of discrimination.

6.7. Prevention of a possible negative impact of changes in the original habitat of indigenous peoples and in the social and cultural situation as a result of the planned economic and other activities, provision of reasonable compensation in case of damage. Contributing to the preservation of culture, traditions, customs, language and writing.

6.8. Promoting sustainable development, including the implementation of corporate programs. Fulfillment of obligations under license agreements, agreements on social and economic cooperation, other forms of agreements adopted in accordance with the organizational and administrative documents of ALROSA.

# 7. Stakeholders

Stakeholders in the relation to ALROSA production and business activities comprise:

– indigenous peoples, their representatives, public and non-public organizations (associations) of indigenous peoples, as well as unregistered land users (not legally recognized as legal land owners or land users)

– individuals – citizens of the Russian Federation who are current or potential owners of the Company’s securities or living on territories where the Company’s production assets, public and nonpublic organizations, associations, research institutes and expert organizations, social and charitable organizations are present

– government authorities, including authorities of the Russian Federation entities, authorities of municipal entities, executive and legislative authorities as well as federal and regional level supervisory authorities

– financial institutions, including credit and investment organizations, which are current or potential owners of the Company’s securities, rating agencies

– other companies that carry out their activities on adjoining territories.