Annex
to the minutes of the Executive Committee of PJSC ALROSA
No. 01/385-PR-P dated 30.01.2023

APPROVED BY:
the resolution of the Executive Committee of PJSC ALROSA
No. 01/385-PR-P dated 30.01.2023

Energy Efficiency and Energy Conservation Policy
Of PJSC ALROSA

PJSC ALROSA is a world leading diamond producing company with a full production cycle. A group of the PJSC ALROSA affiliated companies (hereinafter collectively referred to as the “ALROSA Group”) all have a diversified portfolio of assets and activities, including extraction and production of diamonds, transportation services, generation and transfer of heat and electrical energy, extraction of natural gas as well as R&D and social organizations.

With the mitigation of the climate change impact and sustainable use of natural resources being strategic priorities[[1]](#footnote-1) of PJSC ALROSA, the Company commits to continuously improve the energy efficiency of its production, diminish energy consumption from non-renewable sources and gradually increase the share of low-carbon sources of energy in the long run.

The policy for energy efficiency and energy conservation of PJSC ALROSA aims to create and develop a corporate energy management system as well as measures for energy conservation and increasing energy efficiency based on the sustainable development principles.

The management of PJSC ALROSA and heads of its functional units and separate divisions ensure the Energy Efficiency and Energy Conservation Policy is implemented. To harmonize the approach on energy efficiency improvement within the ALROSA Group, the Policy is recommended for implementation and compliance in subsidiary and controlled entities of PJSC ALROSA.

PJSC ALROSA also expects that its suppliers, contractors, customers and other business partners, with which the ALROSA departments and affiliated companies are working, will maintain high standards of responsible business conduct and implement appropriate practices of sustainable natural resources and energy consumption.

Principles of Energy Management:

* ensuring implementation of the best available technologies providing for energy efficient production;
* using fuel and energy resources sustainably;
* making managerial and investment decisions in consideration of strategic objectives, risks and opportunities related to energy conservation and increase of energy efficiency;
* openness and accessibility of information on PJSC ALROSA activities relating to energy conservation and increase of energy efficiency, developing partnerships and cooperation to use energy efficient technologies;
* compliance with requirements of the applicable national and international laws, the Russian and international standards related to energy conservation and increase of energy efficiency.

Energy-Related Strategic Goals:

* achieving technically and economically feasible minimum level of energy intensity of the Company’s products.
* gaining leading positions in terms of the production processes’ energy efficiency among the Russian mining and metal companies.

Priority Areas of Activity:

* ensuring reliable, safe and efficient energy supply of the production.
* implementing energy efficient technologies, equipment, materials and engineering when modernizing the production facilities.
* gradually reducing the energy intensity of the products and the consumption of fuel and energy resources without sacrificing the effectiveness of the production processes.
* increasing the use of energy from the Company’s own generating facilities, including subsidiary companies, to minimize energy resources bought from external suppliers.
* ensuring the fullest possible and the most effective use of secondary fuel and energy resources from the production processes.
* ensuring appropriate monitoring of and communication of information on generation and consumption of fuel and energy resources, energy indicators in the key and supporting production processes.
* constantly improve the energy management system based on analysis of data and information gathered during regular energy audits.
* training, constantly increasing the competency level of and informing the Company’s employees as relative to the approaches to energy use and consumption, engage the employees in achieving the strategic energy conservation and energy efficiency goals and objectives.

The Management Responsibilities:

* define goals and principles of the Energy Efficiency and Energy Conservation Policy and ensure they are adhered to;
* provide conditions for decreasing the energy intensity and increasing the energy efficiency of the production processes;
* provide resources necessary for achieving the goals set by the Policy;
* implement effective staff incentive tools related to the sustainable use of fuel and energy resources.
1. For more detailed information on the strategic priorities, goals and performance indicators of the ALROSA Group relating to sustainable development see [the Sustainable Development Program of the ALROSA Group for 2021–2025](https://www.alrosa.ru/upload/medialibrary/005/2021_AR_Sustainability_Programme_ru_v3.pdf) [↑](#footnote-ref-1)