**APPROVED BY:**

Supervisory Board

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**Anti-Corruption Policy
of PJSC ALROSA**

**2021**

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# 1. GENERAL PROVISIONS

#### 1.1. Purpose and objectives of the Policy

1.1.1. The Anti-Corruption Policy of PJSC ALROSA (hereinafter referred to as the Policy) is the main document that establishes the key objectives, principles and requirements of PJSC ALROSA (PJSC) (hereinafter referred to as the Company) in the field of anti-corruption, compliance with anti-corruption legislation requirements of the Russian Federation and applicable anti-corruption laws of other jurisdictions.

1.1.2 The adoption of the Policy and the implementation of anti-corruption measures in the Company helps to ensure the legality, transparency and openness of its activities for all interested parties.

1.1.3. The Policy defines tasks, their solutions and fundamental anti-corruption principles, as well as ways to identify, prevent and minimize economic and reputational risks, associated with corruption.

1.1.4. The Policy is an open document and posted on the Company's official website.

1.1.5. The Policy was designed to:

* create a uniform understanding among the Employees and members of the Company's management bodies, shareholders, the investment community and other persons about the Company's rejection of corruption in any form and manifestation;
* minimize the risk of the Company's involvement in corruption activities;
* minimize the corruption-related economic and reputational risks of the Company.

1.1.6. The objectives of the Policy are:

* ensuring that the Company's activities comply with the requirements of applicable anti-corruption legislation;
* generalization of the main requirements of applicable anti-corruption legislation and the establishment of key principles and requirements of the Company in the field of combating corruption, as well as the formulation of fundamental rules, standards and norms of behavior that must be adhered to;
* informing all interested parties about the Company's rejection of any forms and manifestations of corruption;
* establishing the obligation of the Company's Employees to comply with the principles and requirements of the applicable anti-corruption legislation
* creation of a system of measures to prevent corruption in the Company, as well as ways to prevent, identify and minimize economic and reputational risks associated with corruption;
* determination of ways to identify, prevent corruption offenses, and participation in their suppression;
* determination of the Company's attitude to participation in anti-corruption initiatives, as well as in industry associations, including international ones, that impose anti-corruption requirements for their members;
* creation of a system of organizational measures to manage the anti-corruption process in the Company.

#### 1.2. Scope of application

1.2.1 The Policy applies to Senior Officials and Employees of the Company and its subsidiaries, regardless of the position they hold, as part of the performance of their official duties and / or representing the interests of the Company or its subsidiaries in any country of the world.

1.2.2. The Company, its structural divisions, controlled companies, when executing contracts with organizations performing work for the Company and / or its controlled companies, are obliged to include in the terms of contracts concluded with these organizations, agreed provisions on strict compliance with the requirements and compliance with the principles of applicable anti-corruption legislation.

1.2.3. The obligatory fulfillment of the requirements of the Policy by the controlled companies of the Company is ensured by the approval of the relevant internal document by such companies.

1.2.4. Certain provisions of the Policy and the procedure for their implementation are disclosed in more detail in the internal regulatory documents of the Company, including codes, regulations, provisions, instructions, procedures, etc., as well as in methodological materials.

#### 1.3. Key terms, definitions and abbreviations

***Anti-corruption procedure*** - a legally established procedure for actions aimed at one or more of the following goals:

* identification of the risk of corruption;
* prevention of its implementation;
* recording signs of a corruption offense;
* creation of conditions for the suppression of unlawful actions related to it;
* minimization of the economic and / or reputational damage to the Company caused by them.

***Senior officials*** - members of the Executive Committee of the Company, Chief Executive Officer – Chairman of the Executive Committee and Deputy Chief Executive Officers, heads of business areas, as well as other persons performing managerial functions in the Company, CEOs and deputy CEOs of controlled companies of the Company, as well as other persons performing managerial functions in controlled companies.

***Business gifts*** - any gifts provided by Employees on behalf and / or at the expense of the Company to Counterparties and other Third Parties, as well as gifts that the Company or its Employees receive from Counterparties and other Third Parties.

***Official (Public Official):***

* A person that permanently, temporarily or by special authority exercises organizational and executive, administrative and economic functions in:
	+ an authority or in the armed forces and military formations;
	+ a political party (except for rank-and-file party members);
	+ an international public organization (for example, IMF, UN, World Bank, etc.);
* A person acting as a representative of these bodies, formations and organizations;
* A candidate for a position in these bodies, formations and organizations, whose candidacy has been officially nominated in accordance with the established procedure and officially announced.

***Business hospitality*** -any expenses of the Company for or in the interests of Third parties or expenses of Third Parties for or in the interests of representatives of the Company related to the establishment and / or maintenance of business cooperation, carried out as part of the business practice, including expenses for business dinners, travel expenses, living expenses, entertainment, etc.

***Counterparty*** - any legal entity created in accordance with applicable law with which the Company enters into any contractual (written or oral) relationship, or any individual with whom the Company enters into any contractual (written or oral) relationship, with the exception of labor relationship.

***Conflict of interests*** -a situation in which the personal interest (direct or indirect) of the Senior Official or Employee of the Company affects or may affect the objective and impartial performance of their job duties and in which a contradiction arises or may arise between the personal interest of the Senior Official or Employee of the Company and the legitimate interests of the Company capable of harming the legitimate interests of the Company.

***Corruption:***

a) abuse of office, giving a bribe, accepting a bribe, abuse of authority, commercial bribery or other illegal use by an individual of their official position contrary to the legitimate interests of society and the state in order to obtain benefits in the form of money, valuables, other property or services of a property nature, other property rights for themselves or for third parties or illegal provision of such benefits to the specified person by other individuals;

b) committing the above acts on behalf or in the interests of a legal entity.

***Authorities*** - any public authorities and local self-government of any state, including legislative, executive (for example, departments, public agencies and ministries of the government) and judicial authorities.

***Responsible official*** - the person responsible for monitoring compliance with applicable anti-corruption legislation, as defined by the internal documents of the Company.

***Corruption risk assessment*** - a process that includes the following sub-processes:

***identification of corruption risks*** - determination of corruption offenses that may be committed by the Employees, and the detection of those business processes and their respective sub-processes, during which such illegal actions are possible;

***analysis of corruption risks*** - determination of possible ways of committing a corruption offense, taking into account the peculiarities of the implementation of business processes, the circle of persons who may be involved in the commission of a corruption offense, vulnerabilities of business processes, the characteristics of their organization, which contribute or do not prevent the commission of a corruption offense;

***ranging*** ***(definition of significance)*** of ***corruption risks*** - assessment of the likelihood of committing a corruption offense at a certain stage of the business process and possible harm to the Company in the event that the Employee commits a corruption offense.

***Controlled companies*** - subsidiaries of the Company and other legal entities under the direct or indirect control of the Company. 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. To implement the provisions of the Policy in relation to controlled companies, corporate mechanisms established by law and the charters of the respective companies are applied.

***Politician*** - a person professionally engaged in political activities, including as a functionary of a political party.

***Corruption offense:***

* corruption-related crimes - unlawful acts that have signs of corruption and are included in List No. 23 of corruption crimes, introduced annually by a joint instruction of the Prosecutor General's Office of the Russian Federation and the Ministry of Internal Affairs of Russia "On the enactment of the lists of articles of the Criminal Code of the Russian Federation used in the formation of statistical reporting";
* offenses with signs of corruption and provided for by articles of the Code of Administrative Offenses of the Russian Federation, in particular:
	+ illegal remuneration on behalf of a legal entity (Article 19.28);
	+ illegal involvement in labor activity or in the performance of work or the provision of services of a state or municipal employee, or a former state or municipal employee (Article 19.29).

***Corruption prevention*** - the activities of the Company aimed at introducing elements of the corporate culture, organizational structure, rules and procedures regulated by internal regulations and ensuring the prevention of corruption offenses.

***Anti-corruption -*** activities of federal government authorities, public authorities of the constituent entities of the Russian Federation, local self-government authorities, civil society institutions, organizations and individuals within their powers;

a) to prevent corruption, including the identification and subsequent elimination of the causes of corruption (***prevention of corruption***);

b) to identify, prevent, suppress, disclose and investigate corruption offenses (***fight against corruption***);

c) to minimize and / or eliminate the consequences of corruption offenses.

**Employees** - individuals who are in labor relations with the Company.

***Third parties*** - any individuals who are not Employees of the Company, as well as legal entities that are not part of the ALROSA group.

***Sustainable development* -** 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.

# 2. BASIC PRINCIPLES OF ANTI-CORRUPTION

#### 2.1. Rejection of corruption in all forms and manifestations

2.1.1. In the process of conducting its financial and economic activities, implementing projects and interacting with Authorities, Officials (Public Officials), Politicians, investors, Counterparties, partners and Third Parties, the Company adheres to the principle of rejection of any forms and manifestations of corruption.

2.1.2. The principle of rejection of corruption means a prohibition for all persons who are subject to the Policy, directly or indirectly, personally or through mediation, to participate in any corrupt activity, regardless of business practices, including:

* prohibition on giving bribes;
* prohibition of receiving bribes;
* prohibition of bribery of Officials (Public Officials), including foreign ones;
* prohibition of making "facilitation payments" (administrative, bureaucratic and others) in favor of the Authorities, Officials (Public Officials) and other persons.

2.1.3. Taking into account the principle of rejection of corruption, within the framework of compliance with the norms of applicable anti-corruption legislation, Senior Officials and Employees of the Company are prohibited, directly or indirectly, to:

* promise, offer or give
* extort, ask, give consent to receive or receive

 bribes in any form, including, in the form of monetary funds, other valuables, property, property rights or other financial and / or non-financial benefits in favor of or from any persons, including Officials (Public Officials), to influence their actions / omissions or decisions in order to obtain any benefits or for another purpose.

2.1.4. The Company and its Employees refrain from participating in any corrupt practices even in the event of extortion and / or in the presence of outside pressure and threats. To prevent or reduce the negative consequences of such situations for the Company and / or its Employees, the latter are obliged to inform the Responsible Official about them.

2.1.5. The Company does not accept the implementation of "facilitation payments", that is, the provision of funds, property, property rights, services and other financial or non-financial benefits in order to ensure or accelerate the implementation of the standard procedure for performing legally established procedures or actions that, at the same time, are not provided for by legislative and other regulatory legal acts.

#### 2.2. Prevention and settlement of conflicts of interest

2.2.1. A conflict of interest, when the personal interest of Senior officials and Employees leads to the emergence and / or the possibility of a threat of loss of loyalty and impartiality towards the Company, is considered as the main factor motivating corrupt behavior.

2.2.2. The Company develops and implements procedures for preventing conflicts of interest and a mechanism for resolving them.

2.2.3. Within the scope of these procedures, Senior officials and Employees undertake to promptly report on any potential conflict of interest, and in the event of its urgent occurrence, immediately inform their immediate supervisor.

2.2.4. The Company recommends that Senior Officials and Employees fully disclose information about a situation that could, whether directly or indirectly, lead to a conflict of interest.

2.2.5. HR departments, line managers of Senior officials and Employees, and the Commission for Corporate Conduct Compliance and Settlement of Conflicts of Interest play a significant role in the formation of this principle and behavior of Senior officials and Employees, as well as in ensuring its effectiveness.

#### 2.3. Inevitability of punishment

2.3.1. The Company declares its irreconcilable attitude towards any forms and manifestations of corruption at all levels of corporate governance, investigates in the prescribed manner reports of such actions, as well as violations of anti-corruption procedures, and takes measures to bring the perpetrators to justice, regardless of their position, length of experience, status in the Company and other relationships with it, in accordance with the procedure established by the applicable law and internal regulations of the Company.

#### 2.4. Legality

The Company complies with the laws of the Russian Federation and other countries, the norms of which are applicable to the Company, and any of its actions or omissions, including in the field of anti-corruption, shall not contradict the norms of the applicable law.

#### 2.5. Regular assessment of the corruption risks

The Company identifies, evaluates and periodically re-evaluates corruption risks inherent in its potentially vulnerable business processes. At the same time, the Company takes into account the entire completeness of information on activities and plans, including investment and strategic ones, available at the time of the assessment and revaluation.

#### 2.6. Example of senior management

Senior officials of the Company shall demonstrate in practice a personal example of ethical behavior and compliance with the requirements of applicable anti-corruption laws and internal documents of the Company, including this Policy, in order to form an irreconcilable attitude among other Employees of the Company towards any forms and manifestations of corruption, as well as put forward and support anti-corruption initiatives, monitor their implementation.

#### 2.7. The consistency and proportionality of anti-corruption procedures

The Company develops and implements a system of anti-corruption procedures and a responsible attitude towards their implementation. The Company strives to make the procedures as transparent, clear, feasible and reasonably responsive to the identified risks as possible.

#### 2.8. Due Diligence Principle

The Company checks the Counterparties before making a decision to start or continue a business relationship in order to make sure that they do not accept corruption and that they are trustworthy, and that there are no grounds for a conflict of interest.

#### 2.9. Monitoring and control

2.9.1. The Company monitors the implemented anti-corruption procedures and controls their observance.

#### 2.10. Improving the anti-corruption system

2.10.1. The Company regularly takes measures to assess the effectiveness of the anti-corruption system and improve it

2.10.2. The Supervisory Board's Audit Committee on a periodic basis makes an independent assessment of the effectiveness and compliance of the anti-corruption system in the Company with the applicable laws and the Policy. The results of the assessment are reported to shareholders in the Company's Annual Report.

#### 2.11. Providing information channels for messages and suggestions in order to combat corruption

2.11.1. The Company encourages its Employees and interested Third Parties to report as early as possible about their suspicions of possible corruption actions and cases of non-compliance with the provisions of the Policy, as well as to offer recommendations and measures to improve the anti-corruption system

2.11.2. Messages and suggestions can be transmitted to:

• the Responsible officer of the Company;

• the direct or superior manager.

2.11.3. To ensure the possibility of transmitting messages about the facts of corruption or suspected corruption manifestations, both by Employees and by any Third Parties, including anonymously, the Company operates a feedback channel - a "hot line" (e-mail ANTICORRUPTION@ALROSA.RU; subscriber mailbox for sending written messages: Moscow 115184, Ozerkovskaya nab., 24 marked "Trust Line"). In order to ensure public access, this information is posted on the Company's website [www.alrosa.ru.](http://www.alrosa.ru/)

2.11.4. The Company guarantees confidentiality to all Employees and other persons who have reported violations in good faith.

2.11.5. The Company guarantees that Employees who in good faith reported signs or facts of corruption involving other Company Employees will not be subject to sanctions, and will not be fired, demoted, deprived of bonuses or other financial or non-financial benefits, etc.

2.11.6. The provision of deliberately false information by Company Employees or other persons is considered a violation of the Policy and the relevant norms of applicable law, and such a person may be held liable in accordance with applicable law and internal documents of the Company.

# 3. CORRUPTION PREVENTION MEASURES

#### 3.1. Formation of an anti-corruption culture in the Company. Personnel development

3.1.1. The Company develops the Code of Corporate Ethics and, on the basis of its provisions, forms the Employees' attitude of rejection of corruption in all its forms and manifestations, as well as an understanding of the need to prevent conflicts of interest and resolve them in a timely manner.

3.1.2. Employees of the Company familiarize themselves with the Policy. They are obliged to confirm on a regular basis compliance with the anti-corruption principles and requirements enshrined in it.

3.1.3. The Company conducts training for Employees and ensures their active involvement in the implementation of anti-corruption measures. Training programs shall be tailored to the objectives and job responsibilities of the trainees and reviewed periodically to improve their effectiveness.

3.1.4. Company Employees who doubt that their actions comply with the applicable anti-corruption laws and / or anti-corruption principles and requirements of the Policy may, in accordance with the internal procedure, contact the Responsible Official for advice.

3.1.5. The Company takes measures to monitor compliance by Employees with anti-corruption laws and the requirements of internal anti-corruption regulations and guarantees that none of them will be compromised, either in their career or financially, if they refrain from corrupt practices, even if this will lead to losses for the Company. At the same time, the established penalties are applied for violation of anti-corruption rules, up to the dismissal of the perpetrators, subject to compliance with labor and corporate laws.

3.1.6. The Company, solving the problem of preventing corruption, determines the anti-corruption procedures necessary for personnel development:

* requesting from candidates and Employees applying for promotion, necessary information to assess possible threats to the Company and its verification;
* submission by candidates for positions with an increased corruption risk and Employees filling such positions, of information that allows to predict situations of potential conflict of interest;
* emergency messages about the occurrence of such situations,
* registration of persons obliged to provide information on personal interest in transactions (on a conflict of interest);

and ensures the functioning of the mechanism for resolving conflicts of interest

**3.1.7. Anti-corruption expertise of legal acts**

The Company carries out anti-corruption expertise of internal regulatory documents and draft internal regulatory documents in order to identify corruptogenic factors and subsequently eliminate them.

#### 3.2. Corruption prevention measures in certain functional areas of the Company

##### 3.2.1. Business gifts, business hospitality and representational expenses

3.2.1.1. Business gifts, business hospitality and representational expenses are an integral part of the generally accepted business practice and the formation of sustainable business relationships with Counterparties. The Company fosters an atmosphere of honesty and transparency with respect to business gifts and business hospitality costs. In order to prevent their use to influence decision-making and / or violate applicable anti-corruption laws, the Company establishes mandatory requirements for acceptable Business gifts, Business hospitality and representational expenses.

3.2.1.2. Senior officials and employees of the Company are prohibited from asking, demanding or forcing Third Parties to give them, their close relatives, other persons Business Gifts and / or provide them with Business Hospitality or incur representational expenses.

3.2.1.3. It is forbidden to provide and receive Business gifts, Business hospitality and representational expenses if they may affect the outcome of any transaction and / or the recipient's decision in favor of the person who provided such Business gifts, Business hospitality or who incurred representational expenses.

3.2.1.4. The Company refrains from making Business gifts in favor of Officials (Public Officials), Politicians and their close relatives, paying any expenses for these persons or in their interests, including receiving by them financial and / or non-financial benefits at the expense of the Company (for example, payment for transport, accommodation, meals, entertainment, etc.), except for expenses associated with the participation of these persons in official events organized and / or financed by the Company.

3.2.1.5. The provision and receipt of Business gifts, Business hospitality and representational expenses is allowed only if the following criteria are met:

* they shall comply with applicable law, as well as the principles and requirements of the Company's internal documents, including the Policy;
* they must be directly related to the business activities of the Company or official and professional holidays;
* they shall not aim, direct or indirect, at influencing decisions that affect the business of the Company or other unethical and illegal reasons;
* they shall not create any obligations for the recipient;
* they shall not represent remuneration (including hidden one) for the service rendered or work performed, or work / services to be performed in the future;
* they shall be feasible, reasonable and proportionate to a specific event (occasion);
* they shall not be in the form of cash or non-cash funds, securities, precious metals or other cash equivalents, expensive or luxury goods;
* they shall not create a reputational risk for the Company, Employees and / or other persons in the event of disclosure of information about such Business Gifts, Business Hospitality and representational expenses

3.2.1.6. All of the above requirements apply to both the provision and receipt of Business Gifts, Business Hospitality and representational expenses by Company Employees directly and through intermediaries.

3.2.1.7. The maximum value of a Business Gift received or provided by Senior Officials and Employees of the Company, as well as provided or received Business Hospitality and representational expenses, is established by the Executive Committee of the Company in accordance with the norms of Russian and other applicable laws.

##### 3.2.2. Charity and sponsorship

3.2.2.1. The charity and sponsorship provided by the Company shall:

* be carried out within the framework of the requirements of the applicable law, as well as the principles and requirements of the Company's internal documents;
* be directly or indirectly related to ensuring business interests and / or achieving the statutory goals of the Company;
* have a positive impact on the reputation of the Company and have real efficiency in achieving socially significant goals;
* not aim at influencing the adoption by the Authorities, Officials (Public Officials) and other persons of decisions related to the preservation or expansion of the Company's business activities or obtaining any commercial and / or competitive advantages and not represent a reward (including hidden one) to the specified persons.

3.2.2.2. The Company controls the targeted use of funds provided as part of charitable and sponsorship activities.

3.2.2.3. Basic information about charitable and sponsorship activities is subject to disclosure on the official website of the Company, in the Annual Report or otherwise.

##### 3.2.3. Political participation

The Company does not finance political parties and movements, as well as their representatives. At the same time, the Company recognizes the right of its Employees to personally participate in political activities in their off-work time. Such participation:

* shall be carried out by the Employees at their own expense;
* shall not be associated with the Company;
* shall not conflict with their duties within the framework of their employment with the Company.

##### 3.2.4. Interaction with Counterparties, payments through intermediaries and in favor of Third Parties

3.2.4.1. The Company refrains from engaging intermediaries, agents, partners, other persons acting on behalf of the Company or in its interests, and from participating in joint ventures to perform any actions that violate the principles and requirements of the Policy or create a reputational risk for the Company, Employees and other persons in case of disclosure of information about such performance.

3.2.4.2. The Company strives to ensure an objective and transparent process for the selection of Counterparties, which minimizes the corruption risk.

3.2.4.3. Before deciding to start or continue cooperation with an intermediary, agent, partner or other Counterparty, as well as to participate in a joint venture, the Company shall:

* collect, analyze and verify information about potential counterparties and joint venture partners, about their reputation, rejection of corruption and / or about the possibility of a conflict of interest among the Company's Employees related to this cooperation;
* inform them about the principles and requirements of this Policy;
* include in contracts with Counterparties agreed anti-corruption provisions regarding the need to comply with the applicable anti-corruption laws and inform each of the parties about the discovery of facts of corruption by the Employees of the other party or affiliates

3.2.4.4. The Company reserves the right to terminate, in accordance with the established procedure, contracts with Counterparties and joint venture partners in the event of any evidence of corruption on their part.

##### 3.2.5. Procurement activity

Considering procurement activity as an area with an increased risk of corruption, the Company:

* carries out identification and assessment of corruption risks in all processes, its components (procurement planning; preparation and implementation of the procurement procedure; determination of its results; conclusion and execution of the contract; preparation of reports and analysis of the results of procurement activities);
* develops and regulates anti-corruption procedures for all "critical points";
* monitors the implementation of anti-corruption procedures, using all applicable types of control, assesses the effectiveness of the procedures and takes measures to improve them;
* imposes strict requirements on members of procurement bodies and contract subdivisions, including them, in particular, in the category of persons who are obliged to provide information about circumstances that, directly or indirectly, may lead to a conflict of interest, as well as to report the emergency occurrence of a conflict of interest and take measures to settle it;
* obliges procurement authorities to reflect in reports the results of the application of anti-corruption measures and evaluate their effectiveness

##### 3.2.6. Regulation of financial activities

 The Company, when developing internal documents regulating its financial activities on the basis of the applicable legislation, shall ensure that they contain the following norms:

* implementing separation of duties so that the same person cannot initiate and approve the payment;
* establishing hierarchical levels of authority to approve payments (so that larger transactions require approval from a higher-level official);
* establishing a mechanism for verifying that the payee and the fact that work or services have been performed are confirmed through approval mechanisms;
* establishing the requirement for at least two signatures to approve the payment;
* requiring the availability of appropriate accompanying documentation attached to the confirmation of payment;
* establishing restrictions on the use of cash and determining effective methods of control over their use;
* requiring an accurate and understandable classification of payments, their accurate display on accounts;
* establishing periodic analysis by top-level officials of significant financial transactions;
* establishing the periodic conduct of an independent financial audit and regulating the turnover of its executors.

##### 3.2.7. Accounting recognition

3.2.7.1. Accounting in the Company is carried out in accordance with the requirements of applicable law and its internal documents.

3.2.7.2. All financial and business operations and transactions are correctly and with a sufficient level of detail reflected in accounting, documented and available for verification in accordance with the law

3.2.7.3. Distortion and falsification of accounting, tax and management accounting and reporting data is prohibited and is considered a violation of applicable law.

3.2.7.4. It is not allowed to draw up unofficial reports and use forged documents.

##### 3.2.8. Control over new areas of financial and economic activities

 The Company has control over the compliance of its new directions of financial and / or operations with the applicable anti-corruption laws, anti-corruption principles and the requirements of the Policy by conducting an appropriate anti-corruption expertise or analysis. The results of such an examination and / or analysis are agreed with the Responsible Official.

# 4. SYSTEM OF MEASURES FOR IDENTIFICATION AND PREVENTION OF CORRUPTION OFFENSES, PROMOTING THEIR SUPPRESSION AND INVESTIGATION

#### 4.1. Identification and assessment of corruption risks

4.1.1. As part of anti-corruption measures, the Company identifies and on a regular basis assesses the corruption risk typical of all countries where the Company conducts its financial and economic activities, especially for countries with a high level of corruption (according to Transparency International's “Corruption Perception Index”).

4.1.2. The Company recognizes the need to manage corruption risk, regardless of the likelihood of its occurrence and the degree of impact. Corruption risk management measures are carried out taking into account the specifics of all areas and spheres of the Company's financial and economic activities.

4.1.3. In order to manage corruption risks of all business processes, the Company develops a procedure for their identification, regular assessment and determination of vulnerability factors for each business process and groups of positions with an increased risk of corruption.

4.1.4. Identifying and assessing risks in each of the company's business processes is the starting point in organizing anti-corruption activity. However:

* a description of the business process is made with the highlighting of critical points in it, i.e. sub-processes characterized by a significant level of their corresponding

risks;

* possible corruption schemes are determined, as a result of which each of the identified risks can be realized, as well as the positions of employees from whose positions these corruption schemes are feasible (positions with an increased corruption risk).

**4.2.** **Measures to minimize risks**

In order to minimize risks for each critical point, anti-corruption procedures are developed and implemented, including procedures for preventing and resolving conflicts of interests of employees holding positions with an increased corruption risk, as well as other measures to prevent corruption offenses and reduce the level of influence of corruptogenic factors.

#### 4.3. Identification of signs of corruption offenses

4.3.1. In the divisions of the Company, signs of the realization of corruption risks in their business processes and / or non-compliance (violation) of the relevant anti-corruption procedures and norms are recorded. At the same time, the circumstances of the manifestation of each sign and violation are checked, without fail, including checking for the possibility of a conflict of interest among the Employees involved in the business process, or signs of its implementation.

4.3.2. Based on the results of checking the primary information and / or an official investigation, if it is confirmed that there are signs of a corruption offense in it, information about it is sent to law enforcement agencies in accordance with the procedure established by law

4.3.3. If the Employee reveals a conflict of interest, measures to resolve it are taken in accordance with the procedure established by the Company.

#### 4.4. Interaction with law enforcement agencies

The Company's security divisions interact with law enforcement agencies, assisting them in providing information and documents necessary for investigating a crime (administrative offense), and minimizing damage, including in the pre-trial order, as well as in order to improve the anti-corruption system.

# 5. PARTICIPATION OF THE COMPANY IN ANTI-CORRUPTION INITIATIVES OF RUSSIAN BUSINESS AND INDUSTRIAL INTERNATIONAL ORGANIZATIONS

5.1. PJSC ALROSA, as one of the world's largest diamond mining companies, included in the top 100 business structures of the Russian Federation, builds its activities on the principles of sustainable development, demonstrating its social responsibility, in particular, in active participation in anti-corruption initiatives of the Russian business and the implementation of anti-corruption measures in the framework of industry international organizations. This makes it possible to study and master the best practices of Russian and foreign organizations in the field of combating corruption, stimulates the effectiveness of anti-corruption measures and the implementation of the principles of sustainable development in the Company's activities, and contributes to increasing its reputation as a bona fide reliable partner.

5.2. The Company, having joined the Anti-Corruption Charter of Russian Business (hereinafter - the Charter) (Certificate No. 103 issued on October 14, 2013) through the system of chambers of commerce and industry of the Russian Federation, has undertaken to promote the implementation of the principles of preventing and combating corruption both when building interaction with government authorities and in corporate relations, and to periodically submit a declaration of compliance with the provisions of the Charter.

5.3. The Company has undertaken to participate in Anti-Corruption Rating of Russian Business, introduced by the Russian Union of Industrialists and Entrepreneurs (RSPP) in order to assess the level of compliance of the company's activities with the international ISO standard 37001:2016 Anti-Corruption Management Systems - Requirements and Recommendations for Use.

5.4. Since March 25, 2015 the Company is a member of the World Diamond Council (WDC). The WDC Safeguards System guidelines include, without limitation, requirements for compliance with the principles of the UN Convention Against Corruption.

5.5. Since July 27, 2015, the Company is a co-founder and member of the Natural Diamond Council (NDC; before 2020 - Diamond Producers Association, DPA). Anti-corruption requirements for NDC participants are contained in the Declaration of Compliance with the Sustainable Development Commitment, in particular, annual public reporting of compliance with the Sustainable Development Commitment is required using the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

5.6. On August 12, 2016 the Company joined the Responsible Jewelery Council (RJC). The RJC's Code of Responsible Practice contains anti-corruption requirements in Section 11 Bribery and facilitation payments. The Company periodically confirms the fulfillment of the requirements of this section through the non-financial audit for compliance with the Code.

5.7. The Company has developed the ALROSA ALLIANCE Principles for Responsible Business. Clients of the Company who acquire the right to use the ALROSA ALLIANCE trademark undertake to comply with the requirements for responsible business conduct, in particular, they shall adhere to the principle of rejection of all forms and manifestations of bribery and corruption.

5.8. Taking into account the importance of maintaining a high level of interaction with Russian companies within the structures of anti-corruption initiatives of Russian Business, as well as interaction with foreign companies within international industry organizations, the Company identifies top management representatives responsible for participation in the work of each of these structures and organizations.

# 6. ANTI-CORRUPTION MANAGEMENT

6.1. Anti-corruption management in the Company is a functional area of its activities, implemented within the framework of the general policy in the field of risk management and internal control, which, in accordance with the Company's Charter, is approved by its Supervisory Board.

6.2. The anti-corruption management process is organized on a systematic basis in order to ensure a unified and integrated approach of the Company to the development and implementation of measures aimed at identifying corruption risks, preventing and suppressing their implementation, minimizing damages at various levels of management, taking into account the role of the corresponding level in the process of development, approval, ensuring the functioning of the anti-corruption management system and assessing its effectiveness.

6.3. The anti-corruption management function includes the following:

* goal-setting in combating corruption at all levels of management;
* planning anti-corruption work by divisions and the Company as a whole, organizing the implementation of plans and monitoring;
* coordination of the implementation of anti-corruption measures in the divisions of the Company and supervised bodies in various areas:
* organizing interaction with other Russian and foreign companies as part of anti-corruption initiatives of Russian business associations and international industry organizations, respectively;
* organization of reporting and assessment of the divisions activities;
* generalization of results and preparation of materials for open reports in order to form and maintain the image of the Company as an active participant in combating corruption;
* monitoring the implementation of anti-corruption procedures, assessing their effectiveness and developing proposals for improvement;
* analysis of the organization of the implementation of the function and the development of recommendations for its improvement (including the completeness of coverage of the spheres of activity, the effectiveness of solving the tasks set, optimizing costs and resources involved);
* development of methods to stimulate divisions to participate in combating corruption.

6.4. The Anti-Corruption Management function in the Company is implemented on a planned basis as a complete closed management cycle, starting with goal-setting, continuing with the organization of work to achieve the set goals and monitoring it, ending with the assessment of results, summing up and developing directions and measures for its improvement for the next cycles.

6.4.1. To solve the anti-corruption issues, as well as improve the function of "Anti-Corruption Management", the Company may also apply the program method.

* 1. Goal-setting in anti-corruption management, planning, organization of this work, monitoring and evaluation of its results are carried out on the basis of an assessment of current risks, taking into account forecasts of their changes, as well as the expectations of internal and external interested parties of the Company, including shareholders, the Supervisory Board of the Company of collegial management bodies, officials of the Company, authorities of all levels, business partners and counterparties, other interested commercial and / or non-commercial organizations.
	2. At the same time, both the general goals of the Company, achieved through the efforts of all its divisions and functional services, and private ones, facing individual divisions / services or their groups, are formulated.
	3. In order to organize work on anti-corruption management in the Company, a responsible division is appointed, the head of which is a Responsible Official, segments of responsibility of other functional services (within their competence) are determined, as well as the responsibility of all heads of divisions (in terms of preventing corruption in the implemented business processes and with the participation of subordinate employees of these divisions). The Responsible Official reports directly to the Chief Executive Officer – Chairman of the Executive Committee of the Company.
	4. The tasks of the Responsible Officer (responsible division) include organizing anti-corruption work in the Company, coordinating the work of subdivisions in order to achieve common goals. These tasks are, in particular:
* organization of goal-setting for the Company as a whole and its divisions, the formulation of target tasks (KPI) for heads of divisions, business processes with a significant level of corruption risk;
* organization and implementation of control over anti-corruption in the divisions of the Company, including control of:
	+ - * the regular assessment of corruption risks by divisions in their business processes,
			* the fulfillment of target tasks by the heads of divisions,
			* compliance with anti-corruption principles and norms, including anti-corruption procedures, provided for by the Policy and other internal regulatory documents of the Company;
* organization of methodological support, including by the efforts of other functional divisions, anti-corruption work in the divisions of the Company.
* collection of reports and other information on the results of anti-corruption work and preparation of reports for the Company as a whole.
	1. The responsibilities of the Responsible Officer also include preliminary approval of decisions on the most risky and new areas of financial and economic activities, operations and transactions. It is aimed at ensuring the implementation and effectiveness of anti-corruption procedures and measures provided for by the Policy and other internal documents of the Company, does not replace the corresponding recording (signing, approval) of decisions taken on the merits of such operations and transactions by officials organizing the relevant business process, and does not negate the responsibility of these persons for the violations committed.
	2. Based on the results of control measures and measures to monitor compliance with the applicable anti-corruption legislation and internal anti-corruption procedures, as well as an analysis of their effectiveness and adequacy, divisions involved in anti-corruption prepare, in terms of their concerns, the corresponding reports, the types of which are determined by the rules of document flow. In accordance with the established procedure, these reports are subject to transfer to the Responsible Official for generalization and further use of the information contained therein, including in carrying out reporting activities to the Chief Executive Officer – Chairman of the Executive Committee of the Company and the Supervisory Board's Audit Committee.
	3. Anti-corruption issues, the implementation of relevant plans (programs) and the conduct of the most important investigations are subject to control by the Chief Executive Officer – Chairman of the Executive Committee of the Company and are periodically considered at meetings of the Company's Executive Committee.
	4. In order to provide documentation of management activities, to document the preparation and conduct of anti-corruption measures, reflect their results, store and use documents for the preparation of reports and information materials, conduct analytical work on their basis, including in order to improve anti-corruption activities and manage them, the Company is developing a regulation on the organization of office work on anti-corruption issues, which determines the types of documents to be prepared, the procedure for their preparation, use, storage and information security.
	5. Ensuring the anti-corruption management process

The Company is deciding on the allocation of resources necessary for the development and implementation of anti-corruption measures, as well as the functioning and continuous improvement of anti-corruption management mechanisms, including:

* full-time personnel, whose job responsibilities include solving tasks to ensure anti-corruption management;
* financial resources (taking into account the required wages fund for the specified category of personnel, expenses for its training, for the Company's participation in anti-corruption ratings, conferences held by government bodies and business associations as part of anti-corruption initiatives);
* material resources (office space, furniture, computer equipment, software, stationery).

# 7. PUBLICITY IN THE IMPLEMENTATION OF ANTI-CORRUPTION

7.1. When organizing activities in the field of combating corruption, the Company, taking into account the need to maintain an appropriate level of transparency and openness in work, as well as information security requirements, provides access to information in the following ways.

7.1.1. The Company's open website contains:

* Internal regulations of the Company governing the organization and implementation of anti-corruption activities, including this Policy;
* Information on the main areas of activity within the framework of the plans (programs) of combating corruption implemented in the Company.

7.1.2. The internal corporate portal of the ALROSA Group of Companies

*contains*:

* Internal regulations of the Company governing the organization and implementation of anti-corruption activities, including this Policy;

*the following information is periodically posted*:

* on the anti-corruption measures carried out in the Company, the results achieved in the prevention, detection and suppression of corruption offenses, non-compliance with the established rules and

anti-corruption procedures;

* on damages caused or prevented by them;
* on disciplinary and other enforcement actions taken against persons who committed them or were involved in such offenses;
* other information mobilizing the Employees of the Company to participate in combating corruption.

7.2. Information on the main areas of combating corruption in the ALROSA Group of Companies and its results for the previous year in the form of generalized statistical data is also contained in the ALROSA Group's public Annual Report and the Annual Sustainable Development Report.

# 8. LIABILITY FOR NON-COMPLIANCE

8.1. Senior officials and Company Employees, regardless of their position, are personally responsible for non-compliance with anti-corruption principles and requirements of the Policy, as well as for actions (inaction) of their subordinates that violate these principles and requirements.

8.2. Within the framework of the principle of intolerance (rejection) of corruption in any form and manifestation, for each fact of corruption, official investigations are initiated in accordance with the requirements of the applicable law, as well as the internal regulations of the Company.

8.3. Persons guilty of violating the requirements of the Policy may be brought to disciplinary, administrative, civil or criminal liability at the initiative of the Company or its controlled companies, law enforcement agencies or other persons in the manner and on the grounds provided for by the legislation of the Russian Federation, internal regulations and employment contracts, as well as, in appropriate cases and if there are grounds, in accordance with the applicable norms of the legislative acts of foreign states on the territory of which the Company is represented.

# 9. FINAL PROVISIONS

9.1. The Policy is approved by the Supervisory Board of the Company and comes into force upon approval by the Supervisory Board of the Company. All changes and additions to the Policy (approval of the Policy as amended) are made by the decision of the Supervisory Board of the Company.

9.2. Procedure for making changes

The Supervisory Board of the Company has the right at any time, based on changes in Russian and international legislation, the interests of the Company's shareholders or its partners, creditors and investors, to amend the Policy, which, however, should not distort the existing anti-corruption standards.

9.3. The Policy is a publicly available document. The Company ensures that the Policy and all changes thereto are permanently available on the corporate website at: [www.alrosa.ru.](http://www.alrosa.ru/)