

**APPROVED BY**  
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**CODE OF CORPORATE ETHICS**  
**OF JOINT-STOCK COMPANY “PRODUCTION CORPORATION “KRISTALL”**  
**(Edition No.2)**

**2021**

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## **1. GENERAL PROVISIONS**

- 1.1. Code of Corporate Ethics of Joint-Stock Company “Production Corporation “Kristall” (hereinafter – “the Code”) is the fundamental document of the Company determining the key guidelines and rules of individual and corporate conduct, requirements and principles, intended to shape uniform ethical standards of the Company’s performance and conduct of all of its employees.
- 1.2. Provisions of the Code are based on the following:
  - requirements of the applicable legislation of the Russian Federation;
  - provisions of the Articles of Association of the Company;
  - common corporate ethical standards taking into account the requirements of Russian and foreign regulations and rules, which determine the best practices of corporate management and conduct.
- 1.3. In case of any controversy between some particular provisions of the Code and the applicable legislation, the provisions of the latter shall prevail. In case of any conflicts between some particular provisions hereof and traditions, customs or somebody’s concepts on the corresponding rules of conduct, the provisions of the Code shall prevail.
- 1.4. The Code shall apply to the employees of the Company. The Company seeks the legal entities controlled by the Company to comply with the Code. Within the context hereof, the legal entities controlled by the Company include legal entities, in respect of which the Company may (directly or indirectly, independently or jointly with its affiliates) determine their actions (decisions) in virtue of the majority equity interest in those companies or otherwise. Based on the provisions hereof the legal entities controlled by the Company may develop and approve their own codes of corporate ethics, which may apply to the employees of those legal entities.
- 1.5. Compliance with the ethical standards and principles allows the Company to avoid undue risks, maintain the long-term economic growth, facilitates strengthening of its positions on Russian and international markets, conducting business successfully, increasing capitalization of profit, and forming positive expectations with respect to the conduct of the participants of corporate relations.
- 1.6. Each employee of the Company shall:
  - be guided by the provisions of the Code and rules of conduct relevant to his/her work;
  - consult his/her line manager or the compliance manager of the Company in case of any doubts regarding the rules of conduct;
  - timely notify on all cases when some persons attempt to incline him/her to commit actions resulting in violation of the Code;
  - follow other rules of conduct, as well as restrictions, set forth in the Code.
- 1.7. Managers of the Company shall:
  - lead by example of ethical conduct;
  - educate the employees with the aim of implementing the provisions hereof and preventing any breach of the rules of conduct set forth in the Code;
  - take into consideration adherence of the employees to the rules of conduct established by the Code, when assessing, stimulating or promoting employees.
- 1.8. **The goals of the Code are as follows:**
  - developing stable corporate culture and corporate values system, confirmation of the Company’s commitment to follow high standards of business corporate conduct;

- implementation of core values, principles, rules and standards of corporate ethics, which govern the managers and employees of the Company in their activities, both at making decisions of strategic importance, and in everyday situations;
- establishing standards of corporate conduct determining the relationships among the staff, relations with the employees, business partners, governmental authorities, the public;
- development of the unified corporate culture based on high ethical standards, maintaining the atmosphere of trust, mutual respect, integrity among the employees;
- determining general principles to prevent possible conflict of interests;
- promoting effective cooperation with the interested parties through the application of practices of business conduct;
- realizing personal responsibility by the employees to business partners and shareholders of the Company for the fulfillment of their professional duties;
- maintaining and enhancing confidence of the investment community in the Company, strengthening the reputation of an honest and reliable business partner.

**1.9. Principal tasks of the Code are as follows:**

- preventing conflicts of interests, and effective regulation upon their occurrence;
- identification and preventing potential risks, resolving problems of ethical nature;
- promoting achievement of strategic targets of the Company;
- the employees' commitment to unified corporate values and enhancing corporate culture of the Company;
- understanding and implementation of intracorporate ethical standards by the employees in their everyday activities;
- prompt adaptation of new employees to the work process and working conditions in the Company.

**1.10. Scope of the Code:**

- the Code shall apply to the employees of the Company both on the territory of Russia, and abroad with due consideration to social, cultural and economic differences typical for countries and regions where the Company performs (is planning to perform) its business activities;
- provisions of the Code shall be understandable and clear for all employees of the Company; however, the Code shall not provide exhaustive regulation of all issues related to the corporate ethics, which may arise in the Company;
- in case any issue remains not covered by the Code, or if any controversial situation occurs when the employee and members of the governing and supervising body of the Company have questions or doubts regarding correctness of his/her actions, or the actions of his/her colleagues, or the right understanding of the provisions hereof, he/she should apply to his/her line manager;
- the Company expects all its subsidiaries and affiliates, as well as business partners act in compliance with the main principles of this Code. The Company shall strive to conclude such contracts with its business partners, which do not contradict with the principles stipulated herein;
- some particulate provisions of the Code and the manner of their implementation are disclosed in internal documents of the Company, including policies, codes, regulations, provisions, job descriptions, etc.

**2. ABOUT THE COMPANY**

- 2.1. JSC “PC “Kristall” is the leader of the diamond processing industry in Russia. Joint-Stock Company “Production Corporation “Kristall” was founded on March 1<sup>st</sup>, 1963. The diamond factory was established by Order No.18 of February 25, 1963 issued by Directorate General for the Production of State Seals of the Ministry of Finance of the USSR.
- 2.2. JSC “PC “Kristall” is the largest high-tech lapidary enterprise in the world equipped with high precision equipment and fittings. The produce of the Company adequately competes with high-end brands and is a piece of pride of the Russian Federation and the Smolensk region.
- 2.3. In 2019 году JSC “PC “Kristall” was integrated into ALROSA Group.
- 2.4. Activities of the Company involves great responsibility both to the shareholders, and to the state, employees, and third parties of the Company.

### 3. TERMS AND DEFINITIONS

The following terms and definitions are used herein:

Term	Definition of the term
<b>The Code</b>	Code of Corporate Ethics of JSC “PC “Kristall” (the Code).
<b>The Company</b>	Joint-Stock Company “Production Corporation “Kristall”, JSC “PC “Kristall”
<b>Corporate ethics</b>	The aggregate of moral principles, rules and standards of conduct of the employees of the Company in their work.
<b>Ethical standards</b>	Moral standards, applied and/or established in the Company.
<b>Corporate governance</b>	The aggregate of economic and administrative mechanisms used to exercise the rights of the corporate ownership and develop corporate control; the system of interaction between the governing bodies of the Company, shareholders of the Company and other interested parties with the aim of exercising their rights and legal interests.
<b>Standards of corporate governance, including international ones</b>	Requirements and recommendations to the corporate governance, specified in documents of regulatory and advisory nature adopted in countries being leaders of the investment community, and imposing requirements to the activities of the Company on the following issues: <ul style="list-style-type: none"> <li>✓ interaction with the shareholders of the Company;</li> <li>✓ activities of the General Meeting of Shareholders of the Company, executive bodies and employees of the Company;</li> <li>✓ cooperation with the interested parties;</li> <li>✓ determining the development strategy and control over its implementation (including the efficient planning, risk management and internal control systems development);</li> <li>✓ risk management;</li> <li>✓ decision-making on significant corporate events of the Company;</li> <li>✓ preventing corporate conflicts;</li> <li>✓ interaction with external auditors;</li> <li>✓ internal control;</li> </ul>

Term	Definition of the term
	<ul style="list-style-type: none"> <li>✓ the Company's disclosures;</li> <li>✓ corporate governance assessment.</li> </ul>
<b>Subsidiaries and affiliates</b>	Business entities, in which the Company due to the majority equity holding or pursuant to the concluded contract, or otherwise, may exercise decisive influence over decisions (subsidiaries), or holds more than 20 per cent of voting shares or more than 20 per cent participatory interest in the charter capital (affiliates).
<b>Insider information</b>	Accurate and specific information, that has not been communicated or provided to anyone, communication or provision of which may significantly affect the price of financial instruments, foreign currency and (or) goods and which refers to the information included in the corresponding list of insider information, specified in Article 3 of Insider Information Law.
<b>General Meeting of Shareholders</b>	Highest governing body of the Company.
<b>Line manager</b>	Manager, to which the employee is directly subordinated (with no intermediacy of other heads or managers)
<b>Interested parties</b>	Any persons or groups of persons, whose interests are affected by the Company' activities: shareholders, employees, business partners, consumers, suppliers, etc.
<b>Business partners</b>	Customers, suppliers, contractors, partner companies or any other natural or legal entities, having or establishing contractual or noncontractual business relations with the Company.
<b>Confidential information</b>	Information the access to which is validly limited by the Company. Confidential information also includes information constituting a trade secret.
<b>Conflict of interests</b>	Situation in which personal interests (direct or indirect) of an employee have or may have impact on objective and unprejudiced fulfillment of his/her job responsibilities, and in which contradiction arises or may arise between the personal interest of the employee and legitimate interests of the Company, and this contradiction may harm the legitimate interests of the Company.
<b>Corruption</b>	Any abuse of office, giving or acceptance of a bribe, abuse of authority, commercial bribery or any other illegal use by a natural person of his/her job position against the lawful interests of the society and the government aimed at receiving benefits in the form of money, valuables, other property or property-related services, other property rights for him/herself or third parties, or illegal provision of such benefits to the said person by other natural persons.
<b>Third parties</b>	Any natural persons not employed in the Company.

<b>Term</b>	<b>Definition of the term</b>
<b>Contractor</b>	Any legal person established in compliance with the applicable legislation, which enters into any contractual relations (written or oral) with the Company, or any natural person, which enters into contractual relations with the Company, exclusive of employment relations.
<b>Corporate secretary</b>	Corporate secretary is a full-time employee of the Company responsible for the compliance with the corporate procedures by bodies and employees of the Company.
<b>Compliance manager</b>	An official responsible for the compliance with Anti-Corruption Policy of the Company.
<b>Supervision over the financial and operating activities of the Company</b>	<p>System of measures taken by the Board of Directors, executive and supervising bodies, officials and other employees of the Company to provide reasonable guarantees that the Company shall achieve the set goals in the following areas:</p> <ul style="list-style-type: none"> <li>• performance and efficiency of business activities of the Company;</li> <li>• reliability and fairness of all kinds of financial statements of the Company;</li> <li>• compliance with the requirements of the applicable Russian, foreign and international legislations, internal regulatory documents of the Company.</li> </ul>
<b>Social responsibility</b>	Social responsibilities assumed by the Company relating to the improvement of social responsibilities of the Russian business, such as complete fulfillment of obligations by the Company towards the employees, mandatory payment of taxes and other obligatory payments, distribution and implementation of nonfinancial reporting standards and others.
<b>Securities</b>	Shares, bonds, options of the Company, and other marketable securities placed in compliance with the legislation of the Russian Federation
<b>Risk management</b>	One of the elements of corporate management system consisting in assessing the significance of this or that risk for the Company and probability of its occurrence with subsequent monitoring of these risks, taking measures to prevent them and eliminate any adverse effects for the Company. The Sole Executive body which is the owner of risk management process and risk owners of the Company play the key role in risk management system.

#### **4. ETHICAL VALUES, TASKS AND MISSION OF THE COMPANY**

- 4.1. The Company is one of the leading diamond-processing companies in the world. Core business of the Company is rough diamond processing.
- 4.2. The Company sees its mission in revealing natural beauty of a rough diamond, turning it into a perfect Russian Cut diamond – the symbol of excellence, love and prosperity. Jewelry containing a diamond crafted with love is a unique piece of art created by nature

and man, which serves to give pleasure from perfection and emotional impact. All aspirations of the collective of JSC “PC “Kristall” are devoted to this objective.

- 4.3. In order to achieve the set goals and perform its mission the Company constantly strives to become the most advanced diamond-processing company in the area of quality, personnel, finances and innovations, achieve stability and prosperity, provide the growth of the material well-being of the employees and shareholders’ return.
- 4.4. Corporate values of the Company include the following business, production and ethical principles used in practice in the Company:
- professionalism;
  - mutual respect;
  - continuity;
  - conscientiousness;
  - team work;
  - careful attitude to the labor hours;
  - following the chain of command;
  - Company’s responsibility to its employees;
  - employees’ responsibility to the Company;
  - Company’ responsibility to its partners;
  - legality of professional activities;
  - improvement of the Company’ image.

Adherence to these principles is the guarantee of compliance with the Russian and international legislation, labor and environmental standards, social security of the employees and positive moral environment.

- 4.5. Major tasks of the Company are maintaining and enhancing traditions of the school of the Russian Cut, improvement in technology, implementation of coherent and reasonable corporate policy pursuant to the legislation, business and ethical standards, carrying out educational activities among the diamond jewelry consumers.
- 4.6. Openness and transparency of operations of the Company serve to maintain its reputation, raise awareness of its produce, shape positive perception of diamonds and diamond jewelry among consumers as the symbol of beauty, perfection and timeless values.

Being actively involved in domestic and foreign markets, the Company adheres to honest and civilized business relations, supports in every possible way all efforts and initiatives of governmental, international, industry-based and non-governmental organizations, directed towards further industry development, protection and satisfaction of consumers’ interests.

In its policy, the Company gives the utmost support to the principles of Kimberly Process Certification Scheme, the World Federation of Diamond Bourses, International Diamond Manufacturers Association in their pursuit to make the market for rough and polished diamonds open and transparent, free from criminal and conflict elements.

## **5. ETICAL STANDARDS FOR EMPLOYEES’ CORPORATE CONDUCT**

### **5.1. General provisions:**

- 5.1.1. The Company evaluates individual performance of every employee and fairly rewards him/her for services, develops efficient incentive system, monitors trends in the labor market in order to timely adjust the HR policy.
- 5.1.2 The Company takes its employees, their professionalisms, conscientiousness and personal interest in success of the Company as their main competitive advantage. In this regard, the



Company's prosperity is based on professionalism of the employees and their satisfaction with working conditions.

- 5.1.3. The Company provides transparency and openness in personnel management, constantly improves the management system, making arrangements for favorable working conditions, providing opportunities for training and personal fulfilment. Besides, the Company undertakes to keep secret such information as personal data of the employees.
- 5.1.4. The Company implements the social policy in respect of its employees, which is aimed at enhancing the prestige of working for the Company and providing comfortable and safe working conditions. The Company strives for providing safe working conditions in compliance with the applicable legislation. Each employee of the Company is responsible for compliance with the workplace safety requirements.
- 5.1.5. The Company guarantees the defense for its employees from any forms of discrimination, as defined in the applicable legislation of the Russian Federation and standards of international law. In implementing the HR policy, pay policy, social security policy, any discrimination based on nationality, sex, age, etc. is prohibited.

## **5.2. Ethical principles of the employees of the Company**

- 5.2.1. The employees of the Company perform their activities in compliance with the set goals and standards adopted by the Company based on the following:
  - **Professionalism.** All business relations of the employees of the Company shall be based on high professional standards, comply with business practice and be consistent with the law.
  - **Liability.** Each employee is liable for his/her actions and decisions and may not impose his/her liability on other employees. Each employee assumes high responsibility in performing his/her work and making decisions.
  - **Honesty and objectiveness.** All managerial decisions and actions of the employees of the Company shall be honest and objective. Prejudiced attitude to both employment duties and colleagues is forbidden.
  - **Conscientiousness.** The Company exerts every effort to prevent any situations, in which personal interests of the employees, members of governing and supervising bodies of the Company may collide with the interests of the Company. Any abuse of office for the personal benefit or for the benefit of third parties, or to the prejudice of the Company and its shareholders shall be excluded and all the required measures shall be taken or approvals received in carrying out transactions involving the interests of the members of governing bodies of the Company.
  - **Image and reputation.** Managerial decisions and actions of the employees of the Company shall comply with the aims of maintaining positive image of the Company. The employees of the Company shall exert their efforts to prevent situations, in which their actions may have an adverse effect on business reputation of the Company and its subsidiaries and affiliates.
  - **Respect.** The Company has respect for personal rights and interests of the employees, customer requirements and terms of cooperation set forth by business partners and the public. Respect and trust allow to improve work efficiency through reducing bureaucratic and administrative barriers and remain a dynamic and successful team. Each employee irrespective of the position held shall be sympathetic and respectful to the colleagues.
  - **Confidentiality.** The employees ensure safety and protection of any confidential information, including information constituting a trade secret and insider information of the Company (subject to applicable law of the Russian Federation on information

disclosure, on insider information and internal documents of the Company), unlawful use of which may cause damage to the Company.

- **Transparency.** The activities of the employees are aimed at disclosure and transparency and providing full and fair information on their operations to all the interested parties in confidentiality when required and when it is consistent with the applicable legislation of the Russian Federation.

### **5.3. Ethical principles of the managers of the Company:**

5.3.1. The Company imposes specific requirements to managers at all levels. Leading by example the managers of the Company shall demonstrate ethical conduct, be the leaders and agents of corporate culture.

5.3.2. The managers of the Company trust and respect their employees and are interested in establishing long-term relations with them based on the Russian employment legislation and respect to human rights.

5.3.3. The managers of the Company tend to pursue honest, fair and open policy in respect of the employees, taking into account individual peculiarities of every employee. This policy is effective on all levels of work with the personnel.

5.3.4. Principles and standards of conduct for the managers of the Company:

- compliance with the legislation, internal documents of the Company, terms and conditions of Collective Employment Agreement, employment contracts;
- providing work safety and safe and healthy working conditions;
- exclusion of any gender, political, religious and national discrimination against the employees of the Company when entering employment, paying remuneration, or in job promotion;
- informing the employees of the Company about the set targets, for they could clearly understand their objectives and their role in achievement those objectives;
- forming the atmosphere of open business communication, providing labor management favoring effective teamwork of the employees of the Company and their job satisfaction;
- delegation of the required powers to the employees, providing their independence, decreasing patronage over them, building relationships with the subordinate employees as with likeminded persons;
- demonstration of openness to constructive criticism and respect for a different opinion;
- acknowledgement of efficiency and priority of reasonable stimulation for the employees' work achievements;
- respect for the right of the employees of the Company to be involved with union activities;
- development of the effective consulting system for the employees of the Company with regard to the working conditions and other issues which they will come across at their workplaces;
- care for the well-being of the employees of the Company and their families including timely and full transfer of mandatory and voluntary contributions to pension and insurance funds by the Company.

### **5.4. The employees shall not:**

- go public with the information, which may misrepresent the activities of the Company or in the Company;

- use drugs;
- drink alcohol at the workplace, within the territory of the Company or at the place where the Company performs its works, exclusive of special events and in case of compliance with the business etiquette standards;
- commit aggressive, abusive, hostile actions towards the other people;
- commit any actions, which may damage the reputation of the Company, its customers and partners, transfer the information damaging the corporate image and reputation to third parties;
  - spread adverse information about the Company, its managers and employees, as well as the information, which may be interpreted as discrediting business reputation of the Company;
  - steal the property owned by the Company, its employees or third parties;
  - deceive, treat the subordinate employees, colleagues, managers, customers and partners with disrespect, rudeness and neglect;
  - use abusive language in communication with colleagues, contractors, customers and third parties.

## **6. PRINCIPLES OF RELATIONS WITH INTERESTED PARTIES**

### **6.1. General provisions**

- 6.1.1. The employees of the Company act on behalf of the Company in relations with external interested parties (investors, shareholders, the state, suppliers, customers, etc.). Consequently, provisions of this section of the Code are equally applicable to the Company and its employees.
- 6.1.2. Taking into account that confidence of contractors, business partners and other interested parties in the Company has a significant impact on the Company's activities, the Company places special emphasis on maintaining and developing steady and trustworthy relationships with the interested parties both in the short and long term.
- 6.1.3. The Company sets a high value on its reputation and image. The Company's external relations are based on compliance with the principles of mutual respect, openness, conscientiousness and responsibility.
- 6.1.4. The Company adheres to a principle of neutrality towards financial and industrial groups, governmental authorities, political parties and alliances.

### **6.2. Governmental authorities and public agencies**

- 6.2.1. In the course of interaction with the governmental authorities and public agencies the Company puts in the foreground the balance of interests of business, employees, population of the territory where the Company carries out its activities and the public on the whole. Being one of the largest diamond manufacturers in the world, the Company assumes responsibility for promoting the state interests in sustainable use of mineral resources, implementation of innovative technologies and creation of favorable working conditions.
- 6.2.2. Building open, trustworthy, steady relationships with the governmental and municipal authorities is an essential condition of carrying out business by the Company. Being the principal employer and major taxpayer on the territory where it carries out its activities, the Company strictly complies with the legislation, and guarantees timely and full tax and other compulsory payments.

### **6.3. Shareholders and investors**

- 6.3.1. The Company treats the shareholders' interests as a matter of high priority and exerts best efforts to satisfy their expectations, provide considerable dividends and rise in the value of the Company's shares.
- 6.3.2. The Company guarantees the enforcement and protection of shareholders' rights established by the legislation of the Russian Federation and endeavors to exercise them in a simple way and to maximum effect.
- 6.3.3. The Company ensures high profitability and proper dividend payment. The Company shows equal respect for the rights of its shareholders regardless of the number of shares held by them and sticks to the following principles:
  - mitigation of all investment risks and, accordingly, disclosure of information on the activities of the Company and refraining from actions that may mislead the investors;
  - exerting every effort to increase its intrinsic value for the shareholders, avoidance of corporate conflicts, providing high level of corporate management.

### **6.4. Business partners.**

- 6.4.1. The Company interacts with business partners (customers, suppliers, contractors, consultants) on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness.
- 6.4.2. The Company appreciates business and public reputation of its partners. The Company is scrupulous about the choice of suppliers and contractors and pays special attention to their business ethics. For this reason, the Company cooperates with business partners doing exclusively legitimate business.

### **6.5. Subsidiaries and other controlled legal entities.**

- 6.5.1. The Company builds its relationships with subsidiaries and other controlled legal entities based on generally accepted principles of corporate management.
- 6.5.2. Company's relationships with the controlled legal entities are based on the following principles:
  - management structure efficiency;
  - optimization of financial flows and compliance with the applicable tax legislation;
  - preventing actions and decisions not agreed with the Company, which may result in loss of control over assets, disposal of productive and other assets.
- 6.5.3. The Company cooperates with the controlled legal entities in the following ways:
  - participation of the Company's representatives in supreme governing bodies, collegiate governing bodies and regulatory bodies of the controlled legal entities;
  - other forms of interaction, stipulated by the internal documents of the Company and (or) permitted by the applicable legislation.

### **6.6. Relationships with the mass media.**

- 6.6.1. Information about the Company, its activities, functional and structural subdivisions, contact information, etc. is posted on an open-source corporate website of the Company <https://ru.kristallsmolensk.com>
- 6.6.2. The Company ensures the observance of high standards in interactions with the mass media.
- 6.6.3. Any contacts with the representatives of the mass media, such as interviews, publications, participation in press conferences and briefings are possible only after they have been approved by the managers of the Company within their competence.

## **7. CONFLICT OF INTERESTS.**

- 7.1. Conflict of interests is a situation when personal interests (direct or indirect) of an employee of the Company affect or may affect proper fulfillment by such an employee of his/her job responsibilities and when the personal interests of an employee collide or may collide with legitimate interests of the Company.
- 7.2. Availability of the conflict of interests creates the reputation risk for the Company in the minds of its employees and other persons (including shareholders, contractors, government and governmental authorities, trade union). The employees of the Company shall avoid situations which may give rise to the risk of conflict of interests. In case the conflict of interests arises, the employees shall notify about it their immediate manager, compliance manager/other subdivision responsible for coordination of measures aimed at preventing and combating corruption.
- 7.3. In case of conflict of interests between an employee and the Company, the interests of the Company shall prevail.
- 7.4. The Company does not restrict the co-working of relatives at the Company. In this Code the employee's relatives shall be understood to mean spouses, children and parents, stepparents and stepchildren, brothers and sisters, grandparents, grandchildren. Labor dynasties are welcome in the Company, but members of such dynasties are not granted any additional rights and opportunities. A labor dynasty means a professional succession in the families of the employees of the Company, which is characterized by the transfer of professional skills from the older to the younger generation. Protectionism based on family relations is prohibited in the Company.

## **8. ENVIRONMENT PROTECTION, HEALTHCARE AND SAFETY.**

- 8.1. Environmental safety and protection are of primary concern for the Company. Realizing the scale and complexity of ecological problems facing the Company, the Company is determined to decrease in a consistent manner and prevent, wherever possible, the impact on the environment caused by its production activities.
- 8.2. The Company strictly complies with the requirements of the environmental legislation and international agreements, industrial and corporate requirements regulating the Company's activities in the area of environmental protection.
- 8.3. Each employee is responsible for the compliance with the requirements aimed at personal safety, as well as safety of colleagues and the environment. It is required to observe all the laws, rules and regulations on environmental protection and occupational safety. Each manager shall instruct, support and control the employees' activities in relation to the compliance with the occupational safety and environmental protection rules.
- 8.4. The Company encourages the behavior contributing to the improvement of health of the employees and members of their families. The Company constantly develops the educational, organizational and ecological activities in order to decrease the accompanying risks.
- 8.5. The Company develops and implements resource saving technologies and consistently reduces its impact on the environment and human beings.
- 8.6. The Company is always ready to a dialogue with all the interested parties on the issues of environmental protection.

## **9. COMPLIANCE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE ETHICS AND LIABILITY FOR THE BREACH OF THEM**

### **9.1. Organization of work aimed at the compliance with the requirements of the Code.**

- 9.1.1. The Company is confident that the observance of the provisions of the Code can enhance the performance of the Company and promote the development of productive business relations with partners. Consequently, all the employees of the Company regardless of the position held shall abide by the requirements of the Code and bear responsibility for the compliance with the ethical standards stipulated herein.
- 9.1.2. Any employee may be held disciplinary liable or subject to any other measures envisaged by the applicable legislation of the Russian Federation for any action or inaction in breach of the Code or damaging the reputation of the Company or its employees, or the issue of unsuitability of such an employee to the position held may be raised in respect of him/her.
- 9.1.3. The Company imposes high responsibilities on managers of all levels. The managers shall lead by example of ethical conduct, support the ethical aspects of corporate culture, and explain to the employees the provisions hereof, if necessary.

### **9.2. Compliance with the requirements of the Code.**

- 9.2.1. Compliance with the requirements of the Code is a significant criterion used for the assessment of the employee's labor activities, in making decisions on his/her stimulation or promotion.
- 9.2.3. If an employee has any questions concerning the application of standards or provisions of the Code, difficulties in ethical appraisal of his/her activities or activities of any other employees, he/she shall apply to his/her immediate manager for explanation or to the Committee for the compliance with corporate ethical standards and regulation of conflict of interests, if it is available in the Company.
- 9.2.4. The Company shall guarantee the absence of any adverse consequences for a person who has informed about any breach of the Code (including any prosecution or discrimination). Violation of anonymity of such communication forms a separate breach of principles of the Code.
- 9.2.5. The Company expects any interested person being not an employee of the Company (a supplier of goods or services for the Company, an investor, etc.) to communicate on any breach committed by an employee of the Company, of which he/she became aware.
- 9.2.6. In case of any breach of provisions hereof, any employee of the Company has the right to an objective investigation into the committed deviations from the standards hereof, and may obtain the results of the investigation held and recommendations on avoidance of such violations in the future.

## **10. FINAL PROVISIONS**

- 10.1. The Code shall be approved by Director General of JSC "PC "Kristall" and become effective from the date of its approval.
- 10.2. The Code is a public document. The Company posts the Code and all amendments hereto on an open-source corporate website of the Company on the Internet: <https://ru.kristallsmolensk.com>.