



| SUSTAINABILITY PROGRAMME 2025-2029



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MESSAGE FROM THE CEO – CHAIRMAN OF THE EXECUTIVE COMMITTEE

Dear colleagues, shareholders, partners,

Five years ago, we developed our first sustainability strategy, setting ambitious goals aimed at creating a framework for responsible business conduct in all business processes and at all levels of decision-making. The world has changed significantly since then. However, I am glad to note that despite all the challenges we have managed to achieve most of the 2021-2025 Sustainability Programme's goals by the end of 2024.

Among other things, we have built the foundation of a sustainability management system, identified key approaches to ESG transformation of business processes, developed a methodology and assessed sustainability risks and opportunities, and created sustainability accounting and reporting system.

We live in a period of unprecedented transformation of the global economy. Global economic turbulence, climate challenges, growing social expectations and technological changes require us to take a new approach to doing business.

The 2025-2029 Sustainability Programme is our response to the challenges of the time that takes into account our real capabilities and enormous responsibility to future generations. We choose a business that is not only economically efficient, but also contributes to the long-term well-being of the regions and countries where it operates, contributes to the development of the diamond industry and is an example of social responsibility for other companies.

In our new Programme, we have retained key strategic pillars: creating decent and safe working conditions, ensuring a favorable environment and climate, contributing to the development of our regions of presence and building an effective governance system, which were determined based on an analysis of the sustainability risks and impacts of the ALROSA Group, the prospects for the development of the diamond industry and the national ESG agenda. We have set an ambitious goal to make sustainable development a key principle of our business and provide our Company and its stakeholders with a clear framework for action, a common terminology, as well as clear goals and key performance indicators.

We are convinced that the 2025-2029 Sustainability Programme will help ALROSA not only to adapt to new challenges, but also become an example for the entire diamond industry. This track will require bold decisions and an innovative approach from us, as well as joining forces, so that we can ensure the long-term sustainability of our business and contribute to the common future. I invite all our employees, business partners and other stakeholders to take an active part in this important matter.

Pavel A. Marinychev

CEO - CHAIRMAN OF THE EXECUTIVE
COMMITTEE PJSC ALROSA



ABOUT ALROSA

ALROSA Group

ALROSA strives to be a global leader in the diamond industry, steadily developing its business in accordance with the principles of sustainability, which are embedded in all aspects of the company's activities and are considered when making strategic decisions.

ALROSA is the leader of the diamond mining industry, the largest vertically integrated diamond mining company in terms of diamond production and reserves. ALROSA accounts for 31%¹ of global diamond production and 90% of total diamond production in Russia in physical terms.

ALROSA is the world leader not only in terms of production, but also in terms of its mineral resource base, with available resources of more than 1 billion carats². The main part of the production is represented by gem-quality diamonds, which are subsequently cut and polished to be set in jewellery.

The main diamond mining assets are located in the Republic of Sakha (Yakutia) and the Arkhangelsk region, and the Company is also carrying out exploration on the African continent. ALROSA is developing nine quarries, three underground mines and 14 placer deposits in Russia. Mining is carried out mainly in permafrost areas and a harsh sharply continental climate, where air temperatures are below zero for at least 6 months in a year. The Company's facilities are unique in their mining and geological characteristics and have no analogues in the world.

ALROSA is the only vertically integrated company in the world, represented throughout the entire value chain – from diamond mining, diamond cutting and polishing, to manufacturing and sale of diamond jewellery. In cutting and polishing, the Company uses only rough diamonds originating from its own mines, which is a guarantee of a reliable source of origin and high quality of the polished production. ALROSA controls the entire process, from geological exploration to the creation of diamond jewellery.

ALROSA is one of the largest employers in Russia. ALROSA Group, which also includes exploration, transportation, energy, and scientific and technical companies, employs about 35.1 thousand people, mainly in Yakutia. It is the largest region of Russia, occupying a fifth of the entire territory of the country.

ALROSA is a public company whose shares are traded on the Moscow Stock Exchange. 34% of shares are in free float. The holders of the remaining 66% are the Russian Federation, the Republic of Sakha (Yakutia) and municipalities of the Republic of Sakha (Yakutia).



1 Here and below, the data is provided as of the end of 2023.

2 According to the GKZ (State Commission on Mineral Reserves) of the Russian Federation



ALROSA's Contribution to Sustainable Development

As one of the largest diamond mining companies in the world, ALROSA has a significant impact not only on the socio-economic development of the regions where it operates, but also actively participates in shaping and promoting the global agenda for sustainable development.

A special feature of ALROSA's activities is that most of its key diamond mining assets are located in one of the most remote from the central part of Russia and difficult-to-reach regions with harsh climatic conditions - the Republic of Sakha (Yakutia). This factor has had a significant impact on shaping the Company's approach to sustainable development. The history of ALROSA began in Yakutia in the 1950s and largely determined the socio-economic vector of the region's development. ALROSA's influence is still significant today - most of the Company's employees work in the Sakha Republic, and the Company's tax and dividend payments make up a significant share of the region's budget revenues.

At the same time, in all regions of its operations, including abroad, ALROSA is guided by a unified approach to managing its impact on sustainable development and strives to implement up-to-date international standards in this area.

ALROSA contributes to sustainable development by striving to ensure and preserve a favourable socio-economic climate and a healthy natural environment in the regions of its presence in the long term, creating jobs and improving the living conditions of the local population, generating significant tax revenues to budgets of various levels, building social infrastructure and protecting the environment, including contributing to the achievement of the UN Sustainable Development Goals, while preventing and minimising the possible negative consequences of their activities.

The principles of sustainability are integral elements of ALROSA's activities, embedded into the Company's mission and strategy, as well as other internal regulatory documents.





SUSTAINABILITY PROGRAMME

Purpose

This Programme defines ALROSA Group fundamental principles and approach to managing sustainable development issues and sets goals, ambitions and targets in this area aimed at further integrating the principles of sustainable development into the Company's operations and ensuring its contribution to the achievement of the United Nations Sustainable Development Goals.

The Sustainability Programme aims at increasing the transparency of ALROSA Group's operations in the field of sustainable development, maximising positive impact in such areas as environmental protection, social domain, corporate governance and business ethics, as well as creating additional value for shareholders, investors, employees, partners, clients and regions of operation. The above goals will be achieved through performance of obligations, risk management and implementation of projects and initiatives related to priority sustainability aspects.

Scope (boundaries)

The strategic pillars, ambitions and targets in this Programme have been developed for ALROSA Group, including PJSC ALROSA and its diamond mining and manufacturing subsidiaries operating in the Russian Federation.

The Programme covers the period from 01.01.2025 to 31.12.2029 inclusive. The target values of performance indicators are calculated to be achieved by 01.01.2030.





Development

In order to develop an effective Sustainability Programme and set impartial goals and ambitions, ALROSA conducted a detailed multi-stage analysis of the Company's strongest impact on the environment, society and the economy of the regions where it operates, including based on the results of implementing the 2021-2025 Sustainability Programme.

The key stages in the development of the updated Programme included as follows:

PROGRAMME DEVELOPMENT:

01. STATUS ANALYSIS AND IMPACT ASSESSMENT

- Analysing applicable requirements and obligations
- Identifying key sustainability risks and opportunities
- Assessing the current status of the sustainability management system, including independent diagnostics based on the results of the implementation of the 2021-2025 Sustainability Programme
- Benchmarking analysis
- Analysing stakeholder expectations

02. DEFINING STRATEGIC PILLARS, AMBITIONS, AND TARGETS

- Defining a target vision for sustainability for the period up to 2030, taking into account the objectives of the development strategy
- Identifying priority material areas of sustainable development activities for achieving the target vision
- Defining specific, measurable, achievable, and relevant (SMART) strategic pillars, ambitions, and targets for each area

03. CONDUCTING CONSULTATIONS WITH STAKEHOLDERS

- Holding strategic sessions with the Sustainability Working Group to discuss and agree on the pillars, ambitions, and targets
- Conducting consultations with stakeholders (questionnaires, interviewing experts, conducting bilateral consultations)

04. DEVELOPING AN ACTION PLAN FOR THE IMPLEMENTATION OF THE PROGRAMME

- Developing activities and projects aimed at achieving the targets set within each of the sustainability pillars
- Allocating responsibility for the implementation of activities and projects, setting deadlines

05. APPROVING THE PROGRAMME

- Approval of the Programme by the Supervisory Board

PROGRAMME IMPLEMENTATION:

06. INTEGRATING THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT INTO THE BUSINESS MODEL

- Executing the action plan for the implementation of the Programme
- Integrating sustainability principles into strategic management, operational processes, supply chains, and decision-making at all levels
- Ensuring the involvement of senior management in the Programme implementation process

07. MONITORING AND EVALUATION OF RESULTS

- Conducting regular monitoring and evaluation of progress towards achieving strategic pillars, ambitions, and targets
- Preparing regular reports for internal and external stakeholders on progress towards achieving strategic pillars, ambitions, and targets

08. COMMUNICATION AND STAKEHOLDER ENGAGEMENT

- Transparently communicating about strategic pillars and their implementation, as well as challenges in the field of sustainable development
- Raising awareness and educating employees and other stakeholders on sustainability issues
- Involving stakeholders in the Programme implementation process

09. REVIEWING AND ADAPTING THE PROGRAMME

- Conducting a regular review of the Programme based on an analysis of the results achieved and changes in the business environment to ensure its relevance and effectiveness
- Adjusting the Programme implementation measures in accordance with new challenges, opportunities, and changes in regulatory and market conditions



OUR APPROACH TO SUSTAINABILITY

Based on the results of the analysis described in Sustainability Programme Development section four strategic priorities (pillars), 15 related ambitions and 34 targets of ALROSA Group in the field of sustainable development were identified (see below). In accordance with the general concept of sustainable development, these pillars and ambitions are presented in three key areas: social, environmental and governance.

The four strategic pillars reflect the ALROSA Group approach to sustainable development and its contribution to the achievement of 13 priority UN Sustainable Development Goals. They also confirm the ALROSA Group adherence to the ten fundamental principles of the UN Global Compact and the intention to promote the sustainable development agenda both within the Group's core activities and within the framework of developing international partnerships.





STRATEGIC PILLARS AND AMBITIONS

Strategic Sustainability Pillars and Ambitions for 2025-2029

Strategic Pillar	Ambition	Target	UN SDGs alignment
DECENT AND SAFE WORKING CONDITIONS Our goal is to become an attractive employer that unites employees with common goals, values and aspirations, promotes the fullest disclosure and development of professional potential of employees by creating a culture of safe production and ensuring equal opportunities, inclusivity and respect for human rights.	P1 Developing a team of professionals and creating an inclusive work environment	— Maintaining a staff turnover rate at level not exceeding 9% annually — Ensuring at least 30% of women in the total workforce annually, and at least 25% of women in management positions annually — Maintaining at least 13% ratio of indigenous peoples in the total workforce annually — Ensuring at least 70% ratio of employee loyalty and satisfaction — Annually increase financing for programmes aimed at social support for employees, their families, young employees and company retirees	
	P2 Developing professional skills and providing employee training	— Achieving at least 90% ratio of employees in the total workforce covered by the corporate training programmes (mandatory and additional programmes) by 2030 (with an annual increase in the indicator) — Achieving at least 50 hours of training on average per employee of per year by 2030	
	HS1 Ensuring safe working conditions and eliminating fatalities and accidents	— Ensuring zero fatalities among employees of ALROSA Group and employees of contractors at production sites — Ensuring zero accidents at production sites — Reducing Lost Time Injury Frequency Rate (LTIFR)¹ to 0.16 by 2030 (with an annual decrease of 10% starting in 2025) — Reducing total Vehicle Accident Rate (VAR)² to a maximum of 0.63 by 2030 (with an annual decrease of 0.03 points starting in 2025)	 
	HS2 Reducing occupational disease rate	— Ensuring annual decrease in occupational hazards affecting the employee occupational disease rate	
	HS3 Improving the occupational health and safety management system	— Ensuring Occupational Health and Safety Management Systems Certification of ALROSA Group subsidiaries — Introduction of innovative technologies and digital tools (automation and digitalization) in the field of occupational health and safety	

1 Lost Time Injury Frequency Rate, LTIFR = number of disability injuries, including fatal injuries / number of man-hours worked × 200 thousand man-hours (excluding injuries to contractors)

2 Vehicle accident rate, VAR = number of accidents × 1 million km / total mileage of all vehicles, including contractors’ vehicles (km) (excluding accidents caused by third-party vehicles)



Strategic Pillar	Ambition		Target	UN SDGs alignment
HEALTHY ENVIRONMENT AND CLIMATE Our goal is to become a leader in diamond mining in implementing advanced environmental technologies and practices, responsible use of natural resources, minimising environmental risks and reducing the carbon footprint.	EN1	Reducing the carbon footprint of diamond production	— Achieving at least 6% reduction in direct and indirect greenhouse gas emissions (Scope 1 and 2) compared to 2023 level by 2030 — Achieving carbon neutrality of diamond production by 2030 — Ensuring greenhouse gas emissions intensity of diamond mining and manufacturing subsidiaries at a level not exceeding 0.0088 tons of CO2-equivalent per m3 of overburden by 2030 (with an annual decrease of 5% starting in 2025)	    
	EN2	Ensuring efficient water use and disposal	— Achieving 14% reduction in surface water intake compared to 2023 by 2030 — Ensuring surface water intake intensity of diamond mining and manufacturing subsidiaries at a level not exceeding 0.065 m3 per m3 of overburden by 2030 (with an annual decrease of 10% starting in 2025) — Ensuring at least 96% of water recycling in diamond mining and manufacturing subsidiaries annually	
	EN3	Ensuring efficient use of resources and responsible production	— Ensuring industrial waste generation intensity (hazard class I-V) (excluding overburden) at a level not exceeding 0.0002 tons per m3 of overburden by 2030	
	EN4	Restoring biodiversity	— Increasing the number of activities on biodiversity conservation and restoration, including rare and endangered species, their habitats, and natural sites, and funding for such activities	



Strategic Pillar	Ambition		Target	UN SDGs alignment
THRIVING COMMUNITIES Our goal is to ensure a decent quality of life for the local communities, as well as to contribute to the socio-economic and cultural development of the regions where we operate.	C1	Ensuring the social well-being of the regions of operations	— Ensuring timely 100% fulfillment of obligations under targeted financing agreements with the regions of operations within the framework of socio-economic cooperation — Maintaining the volume of investments in regional development, maintenance of own social facilities, charity and sponsorship — Ensuring financing for projects to maintain the social infrastructure of company towns and settlements, participating in the implementation of projects for the construction of large infrastructure facilities in cities and regions of operations	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
	C2	Supporting indigenous peoples	— Implementing at least five projects and initiatives aimed at support and promotion of the well-being of indigenous peoples in the regions of operations	
	C3	Contributing to local purchasing	— Ensuring annual purchases from local suppliers registered and operating in the regions of ALROSA Group operation	
ROBUST GOVERNANCE AND ETHICS Our goal is not only to meet the high standards of responsible business practices, but also to actively participate in improving and promoting best practices and national standards of industry self-regulation, developing international partnerships.	GE1	Improving sustainability management system	— Engaging the expert community in order to implement sustainability best practices and improve corporate governance	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	GE2	Ensuring respect for human rights	— Ensuring compliance with undertaken human rights obligations through participation in international industry organizations — Ensuring that 100% of human rights and business ethics complaints are reviewed and resolved — Conducting annual human rights training for employees	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	GE3	Ensuring responsible supply chains and increasing consumer confidence	— Creating and strengthening industry platforms for cooperation with friendly countries and improvement of industry self-regulation mechanisms in support of the Kimberley Process — Ensuring 100% of diamond transactions are accompanied by a declaration of the World Diamond Council Guarantee System as part of industry self-regulation — Supporting industry-wide diamond generic marketing initiatives	17 ПАРТНЕРСТВО В ИНТЕРЕСАХ УСТОЙЧИВОГО РАЗВИТИЯ



SUSTAINABILITY MANAGEMENT SYSTEM

Governance structure

The effectiveness of the Programme implementation depends on a clear sustainability management structure establishing the relevant competencies of corporate governance bodies, defining and delimiting the responsibilities of subject matter departments and ensuring active involvement of all stakeholders in the decision-making process.

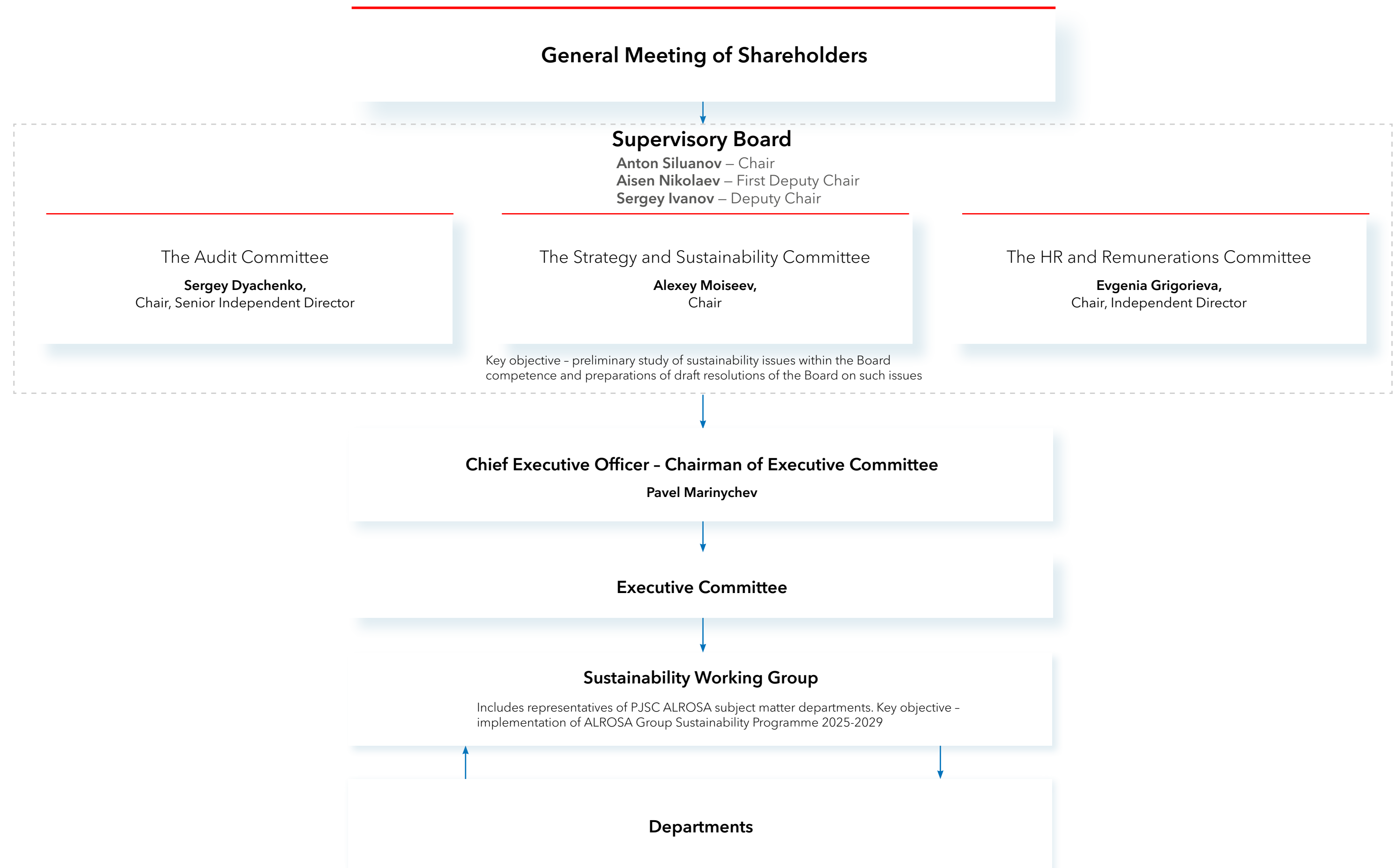
Key documents

As part of the Programme implementation, ALROSA intends to consistently improve the internal sustainability regulatory framework.

The key documents defining ALROSA Group's approach to sustainable development, as well as the ambitions and targets in this area, are as follows:

1. **Sustainability Programme describing the priority areas of activity and specific targets to be achieved by ALROSA Group within the said areas.**
2. **Sustainability Policy - a guiding document establishing the conceptual approach, principles and key directions of ALROSA's activities in the field of sustainable development. The policy also defines the basic procedures for the implementation of the Sustainability Management System.**
3. **Sustainability Action Plan contains a list of specific activities aimed at achieving the sustainability targets. The key ambitions of the Action Plan are as follows:**
 - Determine the core projects and activities essential for the implementation of the Sustainability Programme,
 - Define milestones, timelines, roles and responsibilities, as well as resources required to deliver the planned outputs.

To ensure the implementation of ALROSA Group Sustainability Programme the following management structure is established:





MONITORING AND REPORTING

Striving for openness and information transparency being one of the key principles of the ALROSA Group Sustainability Programme, ALROSA recognises the importance of monitoring and preparing reports describing various aspects and results of activities in the field of sustainable development.

Information on the progress in the Programme implementation will be updated annually and posted on the corporate website www.alrosa.ru in the Sustainability section, and it will also be disclosed in annual sustainability reports.

Given possible changes in the external environment, the Sustainability Programme may be subject to amendments over time, reflecting the current situation and up-to-date decisions. Accordingly, ALROSA will monitor and, if necessary, adjust certain aspects and ambitions in the field of sustainability in the light of new developments.





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