

Human Rights Policy

Sistema PJSFC (“the Corporation” or “Sistema”, together with its portfolio companies – “Sistema Group” or “the Group”) acknowledges recognises the significant impact that business has on the realisation of basic human rights in the society and the responsibility it bears to conduct its business in line with sustainability principles and to observe human rights.

The Human Rights Policy is a voluntary public document and defines the approaches of Sistema PJSFC in the area of human rights, including avoidance of infringing on the human rights of others and addressing adverse human rights impacts with which it might be involved as well as taking adequate measures for their prevention, mitigation and, where appropriate, remediation.

Respect for human rights is one of the key corporate responsibility principles of Sistema, underlying its interaction with all stakeholders. This Policy supplements and integrates the human rights aspects set forth in other corporate documents of the Corporation, including the [Code of Ethics](#), [Sustainability Policy](#), Environmental Policy, [Anti-Corruption Policy](#), internal HR documents and [the Policy on Processing and Protection of Personal Data](#).

The Corporation ensures compliance with the provisions of Russian and international laws in the area of human rights, including, among other things, compliance with the following documents:

- the Universal Declaration of Human Rights,
- the International Covenant on Economic, Social and Cultural Rights,
- the International Covenant on Civil and Political Rights,
- the Declaration on Fundamental Principles and Rights at Work and the Eight Fundamental Conventions of the International Labour Organisation,
- the Constitution and the Labour Code of the Russian Federation,
- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises,
- the UN Global Compact,
- the Social Charter of the Russian Business.

In the event of any conflict between the provisions of this Policy and the provisions of federal or regional laws, the Corporation will endeavour to respect internationally recognised human rights without violating national laws.

Scope

This Policy applies to Sistema PJSFC and is recommended for adoption and compliance by Sistema Group companies (“the Group companies”) regardless of their profile, size and geography. Organisational, administrative and other corporate documents shall not be in conflict with this Policy. The principles of the Policy apply to each employee as part of the performance of their duties.

The Corporation strives with due diligence to ensure that the Group companies adhere to comparable standards of human rights observance in their operations and makes reasonable efforts to encourage new Group companies to introduce relevant principles into their operations.

The Corporation has zero tolerance for human rights violations in the value chain and expects Sistema Group's suppliers, contractors and partners to ensure the same strict compliance with laws and respect for rights. The Corporation also encourages its counterparties to communicate these requirements throughout their supply chains.

Respect for human rights

The Corporation is committed to respecting human rights, including:

- avoiding causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur ;
- seeking to prevent or mitigate adverse human rights impacts that are directly linked to its operations, inaction or business relationships, even if they have not directly contributed to those impacts.

In the course of its operations and engagement with suppliers, contractors, partners and other stakeholders, Sistema Group may have direct and indirect impact on the human rights aspects described below.

RIGHTS OF WORKERS

The Corporation guarantees and expects the Group companies to guarantee:

- decent, safe and comfortable working conditions;
- official employment and HR decisions made on legal and objective grounds, such as knowledge and skills;
- striving for diversity among employees at all organizational levels;
- creation of an environment that provides equal opportunities in all aspects of labour relations and freedom from discrimination on any grounds, including race, ethnicity and nationality, age, colour, language, health status and disability, religion, sexual orientation, gender identity and self-expression, political or other opinion, social origin, property, family or official status, and membership in unions or associations, as well as on the basis of other circumstances not related to business qualities, except when the nature of the selection of individual employees is determined by the established state policies that deliberately promote greater equality of opportunity in employment or are related to job-specific requirements;
- a decent, competitive and fair level of remuneration, not less than the minimum wage; equal pay for equal work, subject to the difference in wages by country and region, but not subject to the above discriminatory factors;
- employee benefits and privileges at least at the level of legal requirements;
- respect for honour and dignity; maintaining a work environment free from any form of physical, verbal, sexual or psychological pressure or harassment, aggression, abuse or threats in the workplace from colleagues or supervisors;
- compliance with all regulatory requirements related to work/rest schedules; willingness to minimise overtime working hours when there is no operational necessity for them and with proper remuneration;
- effective engagement between employees and management; respect for freedom of association and collective bargaining; timely notifications to employees about any changes in operations concerning them;
- freedom of expression; no pressure on employees regarding voting in elections and campaigning for a particular party or candidate;
- opportunities for professional and personal development of employees so that they can properly perform their duties;
- preventing child labour; when people under the age of 18 can be hired in accordance with the law, not engaging them in hard work that could harm their health, safety or morals and interfere with their education;
- avoidance of all forms of forced and bonded labour;
- sufficient professional training of security staff and the use of measures adequate to the level of danger only in the most urgent cases.

RIGHTS OF CUSTOMERS, PATIENTS AND CONSUMERS

The Corporation encourages the Group companies to ensure:

- accessibility, safety and quality of products and services, including for vulnerable groups, people with special needs and those living in remote regions;
- appropriate testing of products and services for any possible threats to health and safety;
- availability of reliable information and prevention of unfair marketing practices;
- obtaining advance, voluntary and informed consent of citizens in writing when providing services that potentially carry legal, financial, medical or other risks for them;
- not targeting people under the age of 18 when advertising products that may pose a known or potential threat to their health;
- online security and awareness of fraudulent practices that may be associated with their products and services (especially for children, the elderly and other vulnerable groups), where applicable;
- support for realisation of the rights to education, health and a safe environment through the provision of products and services and the introduction of innovations.

RIGHTS OF LOCAL COMMUNITIES

The Corporation encourages the Group companies to ensure:

- implementation of measures aimed at avoiding any harm to the health of individuals from their operations, including through environmental pollution;
- opportunities for engagement and consultation with stakeholders and access to information on activities that are directly related to them, while maintaining the relevant trade secrets;
- that their operations, products or services do not impede the public's access to information, unless specifically required by law;
- respect for the rights of ownership and use; resettlement of local residents only in the absence of other alternatives and in accordance with applicable legal requirements;
- respect for the rights, culture, traditions and customs of local communities in the regions of operations, including indigenous peoples, where applicable, and respect for their right to information, consultations and free, prior and informed consent;
- preservation of and unhindered access to cultural and natural heritage sites, as well as the main sources of drinking water and other necessary natural resources;
- creation of jobs in the regions of operation, vocational guidance for young people and ensuring equal employment opportunities for local residents, taking into account the necessary professional qualifications, but not taking into account the aforementioned factors based on discrimination.

DATA PRIVACY AND ANTI-CORRUPTION

The Corporation guarantees and expects the Group companies to guarantee:

- respecting the confidentiality and privacy of its stakeholders and adhering to the principles of proper use of information and data provided to them;
- protecting and processing personal data, including in the digital format, in compliance with the principles and rules established by applicable laws and internal documents in the area of data privacy;
- informing personal data subjects about the rights regarding the management of their personal data;
- showing zero tolerance to any forms of corruption and staying away from unethical, unlawful or unfair business activities.

Implementation

Sistema acknowledges and respects the rights and freedoms of its stakeholders, provides maximum assistance in their rights observance, and seeks to raise awareness of human rights issues across its value chain.

MISSION OF THE LEADERSHIP TEAM

The Corporation's Board of Directors is responsible for implementing this Policy. Members of the Board of Directors, President, members of the Management Board and senior managers of the Corporation must act as role models for other employees and form an ethical standard of respect for human rights. All employees of the Corporation must be guided by the principles set forth in this Policy in their activities.

The Corporation considers human rights aspects as part of its strategy in accordance with the distribution of roles and responsibilities set out in Sistema's Sustainability Policy.

RISK ASSESSMENT

The Corporation implements the principles of responsible investment through the integration of human rights criteria as part of an ESG due diligence of investment projects, and through the monitoring of the relevant risks and the performance of portfolio companies.

The Corporation encourages the Group companies to exercise due diligence in all aspects of their operations and to take into account risks associated with human rights within their corporate risk management systems, including the consideration of material items by their boards of directors.

The Corporation acknowledges the importance of regular identification, analysis and assessment of potential human rights impacts and timely measures before any adverse consequences. If the Corporation determines that it has caused or contributed to such impacts, it is willing to use legal procedures for combating them and to cooperate with stakeholders to find a way out of the situation through dialogue when employees or other persons believe that their rights have been violated.

AWARENESS RAISING AND TRAINING

The Corporation has taken steps to ensure that its employees are familiar with this Policy and share the Corporation's commitment to respect, support and promote human rights.

The Corporation has published this Policy on its corporate website and has openly declared its commitment to the principle of zero tolerance towards human rights violations; Sistema welcomes and encourages compliance with the principles and requirements set out in this Policy by all its counterparties, employees, Group companies and members of their governance bodies, employees and other persons, and contributes to the development of a corporate culture based on human rights respect and equal opportunity through information and training.

ADEQUATE PROCEDURES

The key principles of this Policy are implemented through other internal documents of the Company that govern various aspects of human rights. The Corporation guarantees that all of its corporate policies and procedures are consistent with the principles set out in this Policy.

The Corporation monitors the implemented procedures, oversees compliance with such procedures and updates them if necessary. The Corporation reserves the right to assess compliance with this Policy by its employees. In the event of inconsistencies, the Company may take corrective measures.

The Corporation ensures the functioning of a grievance mechanism, including those related to cases of human rights violations and promotes the creation of such mechanisms in Sistema Group companies.

Grievance mechanism

The Corporation has formalised channels for submitting and reviewing grievances that are accessible to external and internal stakeholders and ensure confidentiality, unbiased consideration, absence of negative consequences for the applicant, and feedback. Each report is thoroughly investigated.

Reports can be submitted through Sistema's Hotline on the [corporate website](#) or through the hotlines of individual Group companies.

Sistema's Hotline:

Email: report@sistema.ru

Phone: +7 (495) 228-15-02

Postal address: 13/1 Mokhovaya St, 125009, Moscow, Russia, attn: Chief Auditor of Sistema PJSFC, marked "Private and Confidential: HOTLINE".

The process of handling grievances and inquiries is set out in Sistema PJSFC Whistleblowing Policy «Integrated Hotline» published on the Corporation's website. If cases of human rights violations are identified, the Corporation takes measures to eliminate and prevent such violations in accordance with the established procedure.

Engagement, monitoring and reporting

Sistema builds productive relations with federal and regional authorities, industrial and professional associations, employees, trade unions, non-profit organisations, residents of the regions of operations and other stakeholders in order to:

- understand mutual interests and goals of the parties involved and identify opportunities for continuous improvement of approaches to the observance of human rights;
- hold consultations with stakeholders whose rights may be affected, restricted or violated;
- raise awareness on human rights aspects;
- enhance transparency and disclose information on the impact of operations on human rights.

Adhering to the principles of integrity and transparency, The Corporation discloses information on Sistema Group's activities and performance in the area of human rights in its [annual reports](#) and [sustainability reports](#).

The Corporation monitors the performance of its portfolio companies in respect of human rights aspects as part of the regular collection of sustainability information, provides relevant expert support, where applicable, and also encourages independent disclosure of human rights information by the Group companies.

The Corporation's management is committed to implementing the principles and achieving the objectives set out in this Policy.

The Policy is subject to regular review and, if necessary, update in accordance with the priorities of the Corporation and the Group companies, as well as the expectations of stakeholders.