

APPROVED BY CEO

Order

No. 3-2-100/004832-23 dated 04.09.2023

X5'S
HUMAN RIGHTS POLICY



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1. PURPOSE AND SCOPE

1.1 X5's Human Rights Policy (the "Policy") defines the principles, rules, commitments, internal control requirements, and key roles and responsibilities of X5 Group related to human rights. The Policy is a local regulation and applies to all entities that are part of X5 Group (the "Company").

1.2 By adopting this Policy, the Company reaffirms its commitment to human rights.

1.3 X5 Group's Human Rights Policy sets out approaches to human rights management used by the Company in its operations and defines the responsibility of Company employees for implementing these approaches.

1.4 The Policy's goal is achieved through the following objectives:

- Defining the Company's human rights commitments
- Defining human rights management mechanisms
- Defining the responsibility of Company employees for implementing this Policy

1.5 When developing and implementing this Policy, the Company follows all applicable Russian laws. X5 Group's activities outlined in the Policy comply with the generally accepted principles and norms of international law, including, but not limited to:

- the International Bill of Human Rights
- the ILO Declaration on Fundamental Principles and Rights at Work
- the Principles of the UN Global Compact
- the UN Guiding Principles on Business and Human Rights
- the Voluntary Principles Initiative's Voluntary Principles on Security and Human Rights.

1.6 In cases where international legal standards and principles conflict with Russian legislative requirements, the Company endeavours to find ways to comply with such principles.

1.7 This Policy's requirements are binding for all employees. The Company expects compliance with this Policy from all X5 Group contractors and business partners.

1.8 Human rights principles are embedded into all local X5 Group regulations that govern stakeholder engagement, working conditions, rules of business conduct and ethics, and the Company's social and environmental commitments.

1.9 The Company guarantees that all of its corporate policies and procedures comply with its Human Rights Policy. This Policy is to be read in conjunction with the Code of Business Conduct and Ethics, Equal Opportunities Policy, and other corporate documents that relate to human rights.

2. PRINCIPLES AND RULES FOR IMPLEMENTING THE POLICY

2.1 The Company undertakes to comply with the following principles in its human rights activities:

2.1.1 No discrimination

The Company tolerates no discrimination on any grounds with respect to its employees, customers, or partners, including on the grounds of race, sex, ethnic or social origin, colour, language, age, sexual orientation, physical or mental capabilities, religion, belief, culture, socio-economic status, experience, or education. Each employee has equal opportunities for merit-based recognition and career growth.

The non-discrimination principle applies to all stages and aspects of employee relations, including recruitment, hiring, reassignment, dismissal, guarantees and compensation, training, etc.

It is not discriminatory to introduce distinctions, exceptions, or preferences or to restrict the rights of employees as per the requirements for respective types of work under federal law, or on the basis of the state's special treatment of persons requiring enhanced social and legal protection, or in line with, and as and when required by, the Labour Code of the Russian Federation to ensure national security, maintain an optimal balance of labour resources, prioritise the employment of citizens of the Russian Federation, or to achieve other aims of the state's Declaration, both internal and external.

2.1.2 No forced labour

Company employees perform all types of works or services by their own free will. The Company guarantees that it does not compel its employees to work under threat of punishment or dismissal. X5 Group complies with applicable laws with regard to working hours and remuneration.

2.1.3 No child labour

X5 Group does not hire anyone under sixteen (16) years of age or any other statutory minimum age and also verifies all applicants' age.

2.1.4 No abuse

X5 does not tolerate any physical, verbal, sexual, or psychological abuse at the workplace. The Company fosters respect and ethical working conditions.

2.1.5 Respect for cultural diversity

The Company respects cultural values of all X5 Group stakeholders and pays due regard to the customs of local communities across its footprint, including those of indigenous minorities.

2.1.6 Observance of the rights to freedom of assembly and association

The Company undertakes to respect the rights of its employees to freedom of assembly and association as well as freedom of opinion and expression, and commits not to obstruct their intentions to establish, join, or not join trade unions or other associations supporting their interests.

2.1.7 Ensuring favourable working conditions

X5 Group guarantees the timely payment of a fair salary sufficient to meet the basic needs of its employees.

2.1.8 Ensuring occupational health and safety

The Company undertakes to provide a healthy and safe workplace for its employees in compliance with regulatory occupational health and safety requirements.

2.2 The implementation of this Policy shall be underpinned by the following rules:

2.2.1 To adopt the above principles, the Company identifies, analyses, and assesses human rights risks. The Company strives to develop and incorporate the necessary controls into its risk management system so as to prevent them and design mitigants for risks that cannot be effectively prevented.

2.2.2 The Policy's implementation includes a due diligence process covering all aspects of the Company's activities to assess potential and actual human rights risks. The assessment is carried out by analysing the Company's business processes for the highest risk areas and may involve external experts.

2.2.3 For the purposes of this Policy, X5 Group undertakes to:

- regularly monitor and assess human rights compliance at the Company
- develop and deploy procedures to enable the remediation of any adverse human rights impacts the Company causes or to which it contributes
- organise special human rights trainings that are mandatory for all employees and form part of corporate business ethics training.

2.2.4 The provisions of this Policy are regularly reviewed for compliance with recognised international and national norms and standards as well as best practices in this area.

2.2.5 Whistleblowing is conducted via an ethics hotline, which is a channel for complaints from employees, customers, and business partners of the Company regarding violations of the Policy.

Ethics hotline contact information:

- E-mail: hotline@x5.ru
- Phone: 8 800 200 2613
- Feedback form on X5 Group's corporate website at <https://www.x5.ru/ru/Pages/HotlineForm/form.aspx>

A special communications channel, the Conciliation Commission, is set up for suppliers to resolve conflicts and contentious situations with partners. The Commission's functions include handling complaints regarding the counterparty selection or disqualification process, the identification of contract management issues, and preparing recommendations and proposals on identified issues for consideration by the Company's management.

Conciliation Commission contact details:

- compliance@x5.ru

2.2.6 X5 Group undertakes to communicate this Policy to all stakeholders, including employees, business partners, and suppliers. The Company undertakes to keep all stakeholders updated on amendments to this Policy and on its implementation mechanisms.



- 2.2.7 Information on the implementation of this Policy and the Company's overall human rights performance is published in the Annual Report and/or Sustainability Report.
- 2.2.8 Any Company employee may be held liable for non-compliance with this Policy in line with applicable laws and the Company's internal regulations and procedures.
- 2.2.9 This Policy becomes effective as of the time of its approval by Order of X5 Group's CEO. The Policy shall be reviewed on a regular basis and, where necessary, may be amended at any time to be aligned with business development focus areas or to reflect potential changes in statutory regulations.

3 ROLES AND RESPONSIBILITIES

The Company has in place a system of roles and responsibilities to manage human rights.

| Position/Unit/Role | Responsibilities |
|---|--|
| Person responsible for human rights at the Company level | Provide oversight over the implementation of, and compliance with, the Policy |
| Sustainable Development Directorate | Develop approaches for human rights management and improve methods for implementing the Policy |

4 TERMS AND ABBREVIATIONS

For more details on the corporate terms and abbreviations used herein, see the [Corporate Glossary](#) in the Documents section of the intranet portal.

Additional terms:

| No. | Term/abbreviation | Definition |
|-----|-------------------|--|
| 1. | Laws | Laws and regulations that affect the Company in all applicable jurisdictions, including extraterritorial provisions of laws and regulations |
| 2. | Ethics hotline | A channel for employees/counterparties to report violations of the Code of Business Conduct and Ethics |
| 3. | Child labour | Engagement of children in labour on a regular basis |
| 4. | Company | The aggregate of legal entities that together with X5 Corporate Centre LLC constitute a group, as defined in Article 9 of Federal Law No. 135-FZ dated 26 July 2006, On Protection of Competition, including those legal entities where X5 Corporate Centre LLC, as stipulated by relevant agreements, acts as the sole executive body |
| 5. | Supplier | A legal entity or individual (sole proprietor) that has signed a contract with the Company to supply goods, works, or services for the Company's needs |
| 6. | Human rights | The inalienable rights of every human being |
| 7. | Forced labour | Work performed under threat of punishment (violence) |
| 8. | Employee | An individual employed by an employer |
| 9. | Employer | A legal entity (organisation) that has employed an employee and may enter into employment contracts |
| 10. | Authorised bodies | Permanent collegiate bodies (Committees, commissions, meetings, etc.) or officers having the power to make management decisions with respect to the Company or the Company's legal entities in accordance with laws, constituent documents, internal regulations and policies, and contracts |

5 RELATED DOCUMENTS

| No. | Document |
|--|---|
| External documents (legal sources, standards, etc.) | |
| 1. | The Universal Declaration of Human Rights (adopted by the United Nations General Assembly on 10 December 1948) |
| 2. | The International Covenant on Civil and Political Rights (adopted by the United Nations General Assembly during the 1496th plenary meeting with resolution 2200A (XXI) on 16 December 1966) |
| 3. | The International Covenant on Economic, Social, and Cultural Rights (adopted by the United Nations General Assembly) |



| No. | Document |
|-----------------------------|--|
| | during the 1496th plenary meeting with resolution 2200A (XXI) on 16 December 1966) |
| 4. | The ILO Declaration on Fundamental Principles and Rights at Work (adopted in Geneva on 18 June 1998) |
| 5. | The UN Global Compact (UN, 2000) |
| 6. | The UN Guiding Principles on Business and Human Rights (OHCHR, 2011) |
| 7. | The Voluntary Principles on Security and Human Rights |
| Internal regulations | |
| 1. | Code of Business Conduct and Ethics dated 15 January 2019 |
| 2. | Equal Opportunities Policy dated 10 February 2021 |
| 3. | X5 Group's Policy on Relations with Suppliers for Non-commercial Procurement dated 14 October 2020 |
| 4. | Code of Interaction with Business Partners dated 2015 |
| 5. | Procedures for Reviewing Reports on Alleged Violations Received via the Ethics Hotline |
| 6. | Policy on Working with Suppliers of Goods Intended for Sale at Retail Stores dated 18 August 2020 |



Internal control requirements

1. Monitoring the performance of the ethics hotline
2. Conducting internal audit of the human rights due diligence processes of the Company's stakeholders
3. Regular review of X5 Group's human rights efforts for compliance with the UN Guiding Principles on Business and Human Rights
4. Investigating reports of human rights violations

