

APPROVED

by Resolution of the Board of Directors
of JSC INK-Capital
Minutes No. 127 dated December 14, 2022

**SUPPLIER CONDUCT POLICY
OF JSC INK-CAPITAL**

Revision 1

Irkutsk

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I GENERAL PROVISIONS

- 1.1 The Supplier Conduct Policy (hereinafter referred to as the Policy) is a document that defines the requirements for Suppliers during interaction with the Group with regard to:
- sustainable supply chains;
 - social responsibility and respect for human rights;
 - occupational health and safety;
 - environmental responsibility;
 - corporate governance.
- 1.2 The Group is one of Russia's largest independent producers of hydrocarbons and their refined products. The Group is engaged in geological study, exploration and development of oil and gas fields in the Irkutsk Region, the Republic of Sakha (Yakutia) and the Krasnoyarsk Region, where it carries out production, processing, and transportation of hydrocarbons. Rational use of natural resources is an integral principle of the Group in all its activities. In line with the idea of responsible production and consumption of resources, the Group has been gradually diversifying its activities, creating, and developing new areas of production in gas processing, gas chemistry, inorganic chemistry, helium production, thereby reducing the Group's impact on climate and adapting to future changes.
- 1.3 The Group's Mission Statement: We live in this region and work to ensure that the use of Eastern Siberia's mineral resources secures a decent present and a sustainable future for the region and its people. We cherish the life and health of our people, and we care about the unique nature of our land.
- 1.4 The Policy is a fundamental high-level document of the Group's Integrated Management System and was developed as part of implementation of the Concept of Sustainable Development and ESG (Environmental, Social, Governance) Factors. The Group implements the procedures of responsible selection of Suppliers in its supply chains and adheres to the commitments set out in the Procurement Policy and the Group's other policies covering environmental, social, and sustainable development issues, and the Code of Ethics.
- 1.5 The Group sees sustainable development as creation of a long-term economic value and opportunities for the society through tax payment and social assistance as part of social and economic partnership, creation of jobs, a comprehensive support to local communities in the areas where the Group operates, respect for human rights, sustainable use of natural resources, mitigation of negative environmental impacts including streamlining and refining its approaches to environment protection, and procurement activities based on the principles of protection of human rights, abiding by the fundamental principles of business ethics, combating corruption.
- 1.6 The Group communicates this Policy and the Procurement Policy to Suppliers in order to improve the overall understanding of how to implement the Concept of Sustainable Development and ESG Factors in their daily activities. The Group expects its Suppliers to cascade the requirements through the entire supply chain, including their own counterparties.

II TERMS AND DEFINITIONS

- 2.1 Terms and definitions used herein are specified in the Sustainable Development, ESG and Integrated Management System Glossary, Appendix 1 to the Sustainable Development and ESG Policy.

III SCOPE OF APPLICATION

- 3.1 The Policy applies to all companies within the Group and to Suppliers.

IV REQUIREMENTS FOR SUPPLIERS

- 4.1 The Group strives to develop long-term relationships with Suppliers based on shared values and goals, specifically through encouraging Suppliers to incorporate them in their activities. The Group expects its Suppliers to be aware of and to support the implementation of the Concept of Sustainable Development and ESG Factors.

- 4.2 The Group strives to engage with Suppliers than share the following principles:

- Commitment to the Concept of Sustainable Development and ESG Factors.
- Commitment to the Sustainable Supply Chain concept.
- Compliance with the laws of the Russian Federation and ethics standards (business ethics); carrying out business in accordance with the principles of good faith, fairness, and honesty in relationships with all Stakeholders; transparency and openness of activities.
- Commitment to the management system refinement idea in line with the best international practices and standards.

- 4.3 The Group expects its Suppliers to:

- Adhere to the principles of open and honest business conduct, business ethics, applicable labor laws, social responsibility, environmental protection, occupational health and safety;
- Comply with the Policy requirements as applied to:
 - their employees;
 - their contractors;
 - other persons affected by Supplier’s activities or products.
- Comply with the Policy provisions, including through adoption and introduction of their own supplier conduct policy containing the main provisions set out in the Policy.

- 4.4 The Group urges its Suppliers to cascade the Policy provisions to their contractors.

4.5 Social Responsibility and Respect for Human Rights

- 4.5.1 The Group expects its Suppliers to commit to the fundamental principles of social responsibility and respect for human rights as applied to the employees of the Group and other counterparties, their own employees, local communities, and other persons affected by Supplier’s activities or products in the areas where either the Group or the Supplier operates.

- 4.5.2 Suppliers shall be obliged:

- To carry out their activities as per permit documents in strict adherence with statutory and regulatory acts of the Russian Federation and the regions (areas) where Suppliers and (or) the Group operates.
- To make managerial decisions based on risks and opportunities assessment results.
- To comply with the applicable laws covering human rights and the rights of local communities in the areas where Suppliers and (or) the Group operate.
- To adhere to the principles set out in the Universal Declaration of Human Rights.
- To ensure openness and transparency of their activities, avoid willful concealing or misstating of information shared.
- To be a responsible taxpayer.
- To prevent any discrimination on grounds including, but not limited to: race, color, gender, age, language, property, citizenship or nationality, religion, ethnic or social origin, caste, economic basis, indigenous or minority status, union membership, political preference or political or other opinion, marital status, pregnancy, dependents, personal relationships, health status (such as HIV/AIDS status, disability), etc.
- Not to allow any form of exploitation of children, including the use of child labor, and to comply with the requirements of Russian law when hiring persons under the age of 18.
- To respect all civil, political, economic, social, and cultural rights.
- To respect the honor, dignity, and rights of their employees and other persons.
- To prevent human rights abuse in their activities and supply chains.

4.5.3 In addition to the commitments set forth in Clause 4.5.2, in their relationships with their employees, Suppliers shall be obliged as follows:

- To respect all requirements of the labor law and the terms and conditions of labor contracts, be guided by the provisions of international instruments setting out the requirements for labor management.
- To ensure openness and availability of its human resources policy.
- To create a transparent remuneration system, to ensure the level of wages not lower than the minimum statutory wage in the region (area) where Suppliers operate, to provide benefits, guarantees, and other arrangements in accordance with the applicable laws.
- To create and maintain decent labor conditions.
- To ensure social and mental wellbeing of their employees.
- Not to allow use of obligatory, forced or slave labor.
- To prohibit inhuman treatment of their employees, including any forms of physical, sexual or verbal abuse, harassment and other forms of oppression.
- To encourage social and cultural personnel diversity.
- To respect the fundamental rights at work including, but not limited to, the right of association and collective bargaining, equal rights and opportunities of professional and creative self-fulfillment.
- To engage qualified professionals and create conditions for them to develop and be trained.
- To ensure confidentiality and guarantee protection of personal data of their employees.

4.5.4 In addition to the commitments set forth in Clause 4.5.2, in their relationships with local communities, including the indigenous and small-numbered peoples of the

North, in the areas where the Group and Suppliers operate, Suppliers shall be obliged as follows:

- To respect cultural heritage and traditions of the local communities, to avoid conflict with local residents and to build respectful and mutually advantageous relationships with them.
- To take action to mitigate negative environmental and social impacts of their activities in the areas where Suppliers operate.
- To keep and ensure free access to cultural and natural heritage sites, and the needed natural resources.
- To prevent forced resettlement of local communities and unlawful use of land, forest, and water bodies.

4.5.5 The following is recommended to Suppliers:

- To contribute to developing the respect for human rights.
- To develop, implement, and maintain a social responsibility management system in line with ISO 26000 / SA 8000 / SMETA or similar standards, to seek certification by an independent accredited entity.
- To make economic and social contributions to the development of the areas where the Group and Suppliers operate, to provide comprehensive assistance to local communities, specifically through direct social and economic partnership agreements with municipalities where Suppliers carry out their works.
- To create jobs in the areas where the Group and Suppliers operate, to facilitate employment and trade opportunities for local communities in order to improve their living standards.
- To take action stimulating employment of local residents as their staff, including action to inform potential employees of employment opportunities and establish engagement methods, cooperation with local educational institutions for education, training, and retraining of local residents.
- To take into account the opinion of the local community regarding the location of their production facilities, rotation camps, transport infrastructure to mitigate negative impacts on the life of indigenous and small-numbered peoples and equal-status ethnographic groups.
- To improve awareness of their employees in respect for human rights, fundamental labor and social rights.
- To develop a human rights-related grievance mechanism which would allow to anonymously report cases of violations of human rights, applicable laws, the Group's Policy, without fear of retaliation.
- To avoid forced resettlement of people from their places of living resulting from changes in the operation geography, except for the cases when it is done in accordance with national laws; to analyze all alternative solutions and provide adequate compensation, if needed.

4.6 **Occupational Health and Safety**

4.6.1 The Group expects its Suppliers to ensure full compliance with the applicable occupational health and safety standards and requirements.

4.6.2 Suppliers shall be obliged:

- To conduct their activities in strict adherence to statutory and regulatory acts related to occupational health and safety of the Russian Federation, regions (areas) where the Group and Suppliers operate.
- To assess occupational health and safety risks, including hazards and risks related to pregnancy, to implement an adequate safety management system aimed at prevention of work-related illness, injury, achieving zero fatality and incident at work, including a system of incident recording, analysis, and remediation to preclude reoccurrence and bad health.
- To properly handle and mark hazardous substances, to ensure product quality and safety in accordance with statutory requirements.
- To provide their employees with personal protective equipment in accordance with statutory requirements.
- To provide mandatory occupational health and safety training in a language understood by employees.
- To provide their employees with opportunities to timely access professional healthcare.
- To use up-to-date technologies and equipment to mitigate occupational health and safety risks.
- To comply with the Group's occupational health and safety requirements, to implement best related practices.
- To ensure safe labor conditions conforming to the applicable regulatory safety requirements, including accommodation standards.
- To take action to improve labor conditions, to mitigate occupational health and safety risks.

4.6.3 The following is recommended to Suppliers:

- To develop, implement, and maintain an occupational health and safety management system in accordance with ISO 45001 or similar standards, to seek certification by an independent accredited entity.
- To engage with the Group in order to identify opportunities to streamline and refine approaches to occupational health and safety issues.
- To improve awareness of their employees of occupational health and safety issues, to develop safety culture.
- To report accidents and hazardous conditions so that they are covered by their occupational health and safety management systems.
- To implement rehabilitation programs for their employees which were injured in accidents at work or developed a work-related illness.

4.7 Environmental Responsibility

4.7.1 The Group expects its Suppliers to responsibly address environmental issues and to sustainably use natural resources.

4.7.2 Suppliers shall be obliged:

- To conduct their activities in strict adherence to statutory and regulatory environment-related acts of the Russian Federation, regions (areas) of operations.
- To hold requisite environmental permits and keep them updated.
- To take action to mitigate negative environmental and climate impacts of their activities.

- To sustainably use natural resources, to deploy energy-efficient technologies.
- To take action to preserve ecosystems and biodiversity, to reduce greenhouse gas and pollutant emissions.
- To comply with the Group’s environmental requirements.
- To ensure waste disposal in accordance with the requirements of the laws of the Russian Federation.

4.7.3 The following is recommended to Suppliers:

- To develop, implement, and maintain an environmental management system in line with ISO 14001 or similar standards, to seek certification by an independent accredited entity.
- To instill environmental responsibility in their own supply chains through their environmental policies (including a climate policy), processes, and management systems.
- To contribute to the development, application, and spread of environmentally-safe technologies and best available technologies.
- To use recyclables in manufacturing of the Materials and Resources supplied to the Group provided that the Materials and Resources conform to the quality requirements of the Group.
- To conduct a comprehensive assessment of impacts of their facilities and to identify potential negative environmental impacts.
- To estimate and monitor greenhouse gas emissions, to provide the Group with information on the carbon footprint of the supplied Materials and Resources / performed works and services.
- To engage with the Group in order to identify opportunities to streamline and refine approaches to environment protection giving special consideration to the following:
 - climate change;
 - energy consumption;
 - greenhouse gas emissions;
 - use of pure water;
 - use of hazardous substances and materials;
 - emissions and effluents;
 - waste management.

4.8 Business Ethics

4.8.1 The Group expects its Suppliers to apply a fair, open, and ethical approach to partnership, to adhere to the principles of good-faith business practices.

4.8.2 Suppliers shall be obliged:

- To comply with the applicable statutory and regulatory acts of the Russian Federation, the regions (areas) where they operate in performing their obligations under contracts with the Group, specifically to ensure conformance of the supplied Materials and Resources, delivered works and services to statutory requirements.
- To comply with the requirements of the Anti-Fraud, Anti-Corruption and Anti-Legalization of Proceeds Received from Crime (Anti-Money Laundering) Policy and the Procurement Policy.

- To prevent action or inaction resulting in conflicts in their business relations. To strive to settle arising conflicts on the basis of balance of interests of the parties to business relationships.
- To compete fairly and in accordance with anti-trust and competition laws, not to engage in any activities which may be perceived as illegal, disrupting confidence and non-conforming to the good-faith business conduct principles.
- Not to allow misstatement and misleading in accounting systems and money and other financial transaction statements pertaining to performance of contractual obligations to the Group.
- To timely inform the Group of any financial, legal, and other difficulties with the business that may negatively affect the Supplier's performance of contractual obligations.
- To provide information related to the Group, on behalf of the Group or by reference to the Group only upon a written consent of authorized representatives of the Group.
- To comply with the Group's requirements related to confidential information. To prohibit unlawful use of confidential information and to prevent such unlawful use.
- To use systems ensuring safekeeping of client data and confidentiality.
- To respect intellectual property rights.
- To adhere to the ethics principles such as personal responsibility, honesty, good faith and professionalism through which the moral principles, professional, and business values and standards of the Group are translated.

4.8.3 The following is recommended to Suppliers:

- To develop, implement, and maintain an anti-corruption management system in line with ISO 37001 or similar standards, to seek certification by an independent accredited entity.
- To inform their employees and contractors regarding business ethics and anti-corruption issues.

V POLICY IMPLEMENTATION

5.1 The Group guarantees that all internal acts and regulation documents comply with the provisions of the Policy.

5.2 The Policy is communicated to Suppliers through internal and external communication mechanisms established and used in the Group.

The Policy is available on the Group's website in the Russian and English languages (www.irkutskoil.ru – the Russian version, www.irkutskoil.com – the English version).

5.3 The Group strives to an open and transparent cooperation with Suppliers for sustainable development and ESG issued in order to promote the responsible approach to Supplier selection.

As part of its procurement activities, the Group requests its Suppliers to provide documentary evidence of compliance with the Policy.

In selecting Suppliers, other conditions being equal, the Group prefers the Suppliers that show their will to commit to the sustainable development and ESG principles.

- 5.4 Reporting violations of the Policy.
- 5.4.1 The means of reporting cases of nonconformity to the Policy are described in the Code of Ethics, and related information is available on the Group's website www.irkutskoil.ru/trust-line/.
- 5.4.2 The Group confirms that any individual seeking advice, raising concerns over a potential problem or actual nonconformity to the Policy, acts in accordance with the Code of Ethics. The Group will not allow any reprisals in respect of that individual and finds unacceptable any retaliation towards that individual on the part of other individuals for having reported a potential problem or actual nonconformity to the Policy in good faith.
- 5.5 If violations of the Policy, or the regulatory acts of the Russian Federation, internal acts and regulation documents and (or) administrative documents of the Group are confirmed, the Group ensures that the relevant grievances are address and action is taken, including in terms of suspension or termination of cooperation with a Supplier.

VI FINAL PROVISIONS

- 6.1 This Policy becomes effective upon its approval by the Board of Directors.
- 6.2 Additions and amendments to the Policy are approved by the Board of Directors.
- 6.3 The Group will improve this Policy taking into account new standards of planning, organizing, and conducting of the procurement activities in the Russian and international practices, interests of the shareholders, the Group and other Stakeholders, and amendments of the laws of the Russian Federation.
- 6.4 If, as a result of any changes in the laws of the Russian Federation, the Company Charter, or on other grounds, some clauses of the Policy shall become invalid and be deemed unenforceable or void, such clauses are not to be applied. Until the relevant amendments are introduced into the Policy, the Group and Stakeholders shall act in accordance with applicable laws of the Russian Federation, the Company Charter, and the Policy provisions to the extent not conflicting with them.