

APPROVED BY

Mobile TeleSystems  
Public Joint Stock Company  
Board of Directors  
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**Mobile TeleSystems  
Public Joint Stock Company**

**POLICY  
on  
Diversity, Equality, and Inclusion**

Moscow, 2021

## 1. PURPOSES OF THIS POLICY

The main purpose of implementing the Diversity, Equality, and Inclusion Policy in MTS PJSC (“MTS” or “the Company”) is to strengthen the company's commitment to principles of equality, non-discrimination, respect for the individual and fairness in respect of employees, customers, partners, residents of geographies where the Company has a presence, and other people and organizations with whom/which the Company interacts.

The Diversity, Equality and Inclusion Policy (the “Policy”) is designed to support the implementation of international equality and human rights standards, including the principles enshrined in the Constitution of the Russian Federation, the international Bill of Human Rights and other generally recognized instruments in this field.

The Policy is an internal Company regulation designed to enhance the practices of MTS Group companies in this area and to ensure diversity, equality and inclusion in the business processes of MTS Group companies as an essential element in the sustainable development of society.

The Policy is one of the tools for implementing the Company’s ESG strategy, alongside the Code of Business Conduct and Ethics, the Policy on Sustainable Development Activity and Corporate Social Responsibility, the Charitable Activity Policy and other internal regulations in the area of diversity, equality and inclusion.

The Policy sets our principles of diversity, equality and inclusion and guides the Company's activity in this area.

## 2. GENERAL PROVISIONS

### 2.1. Definitions

Term	Abbreviation	Term Definition
MTS PJSC	MTS, the Company	Mobile TeleSystems Public Joint Stock Company
The MTS Group		MTS PJSC, subsidiaries of MTS PJSC, as well as all companies directly or indirectly controlled by MTS PJSC.
Diversity	DE&I	For the purposes of this policy, the term “diversity” shall imply the principle of recognition, respect for and understanding of the value of human differences that make each person unique. Commitment to diversity also entails the unconditional value of the individual unique qualities, characteristics and experience influencing a person's views, opinion and approach to life. Diversity is achieved partly through inclusion.
Equality		For the purposes of this policy, the term “equality” shall imply that everyone may freely and equally participate in any area of life without any infringement of their rights or less favorable treatment because of their unique qualities or characteristics. Equality also presupposes equal access to services and resources.
Inclusion		For the purposes of this policy, the term “inclusion” shall imply the creation of conditions for people of different backgrounds to participate in society on an

Term	Abbreviation	Term Definition
		equal basis, regardless of individual characteristics. Inclusion is a set of practices related to maintaining social diversity, ensuring physical and information accessibility, and combatting exclusion and discrimination.
Environmental, Social and Governance	ESG	Environmental, Social and Governance factors taken into account by the Company in its operations
The ESG Committee (the Corporate Governance, Environmental and Social Responsibility Committee) of the Board of Directors of MTS PJSC.	The ESG Committee	A collegial advisory body, reporting to MTS PJSC's Board of Directors, with a remit to consider environmental responsibility ("E"), social responsibility ("S") and governance ("G") as a whole and with reference to each other, and to initiate their implementation by the Company's governing bodies and management.
Discrimination		For the purposes of this Policy, the term "discrimination" shall include: <ul style="list-style-type: none"> <li>▪ any distinction, exclusion or preference on the basis of race, skin color, gender, religion, political beliefs, ethnic origin or social background that has the effect of nullifying or impairing equality of opportunity or treatment in employment or labor;</li> <li>▪ any other distinction, exclusion or preference that has the effect of destroying or impairing equality of opportunity or treatment in employment and labor, as determined by the person concerned in consultation with representative employers' and workers' organizations, where they exist, and other relevant bodies<sup>1</sup>.</li> </ul>
(Stakeholders)		Stakeholders in DE&I include but are not limited to: <ul style="list-style-type: none"> <li>▪ employees: executives and managers of various levels, members of management and oversight bodies, employees of MTS Group companies;</li> <li>▪ customers: current and potential users of services provided by MTS Group companies, whether individuals, individual entrepreneurs, or legal entities, including SMEs;</li> <li>▪ local communities and residents of the company's regions of presence: employees' family members and other residents of areas where MTS Group companies have a presence;</li> <li>▪ non-profit organizations, charitable foundations and professional associations of various expertise that exercise civil oversight and provide expert support for MTS Group companies;</li> <li>▪ shareholders and investors: holders of the Company's securities including depositary receipts, as well as other financial market participants;</li> <li>▪ partners and suppliers: members of the supply chains of MTS Group companies, as well as executives of potential counterparties among</li> </ul>

<sup>1</sup> Convention on Discrimination in Employment and Occupation [Convention 111], Article 1, paragraph 1

Term	Abbreviation	Term Definition
		companies and organizations in the information and communications industry; <ul style="list-style-type: none"> <li>▪ regulators: institutions and agencies with regulatory powers in respect of some aspects of the operations of MTS Group companies;</li> <li>▪ government bodies and officials implementing DE&amp;I at the state level;</li> <li>▪ representatives of discriminated groups, potentially including the stakeholders mentioned above.</li> </ul>

## 2.2. Commitment to diversity, equality and inclusion (DE&I)

**2.2.1.** MTS shares the principles set in international legal acts on observance and protection of human rights including those aimed at ensuring equality, non-discrimination, respect for personal dignity and justice. MTS strives to give all stakeholders the opportunity to fully realize their potential in an environment of equality, commitment to diversity, equal opportunity, and freedom from retaliation, prejudice or discrimination.

**2.2.2.** The principles, rules and areas of activity in respect of DE&I set out in the Policy focus *inter alia* on:

- supporting diversity in the operations of MTS Group companies by including a wide range people in business processes, as well as by developing MTS Group products and services that best meet the needs of different stakeholders;
- providing equal opportunities for all employees and other stakeholders when interacting with MTS Group, by ensuring respect, equal treatment and fairness, as well as equal and fair access for society and customers to MTS Group's products and services;
- creating a culture of belonging and value for each employee of MTS Group, and fostering an inclusive environment and equal opportunities for all employees and other stakeholders – an environment in which everyone can best reach their potential and (or) achieve their goals.

## 2.3. Scope of application of this Policy

**2.3.1.** This Policy applies to relations arising in operational processes of MTS Group companies.

**2.3.2.** Adherence to this Policy is mandatory for:

- All employees of the Company;
- Members of the Company's governing bodies and other bodies (Board of Directors, President, Management Board, Committees of the Board of Directors and of the Management Board, Revision Commission);
- Persons who are not employees but are engaged by the Company to perform work and (or) provide services based on contracts, to the extent that this is envisaged by contracts concluded with these persons.

For the purpose of this Policy, all persons for whom compliance with this policy is mandatory shall be called "**Persons covered by the Policy**".

**2.3.3.** The Company strives to ensure implementation of the principles and rules set out in this Policy in the subsidiaries it controls by interacting with responsible employees at these subsidiaries. The Company shall apply reasonable efforts to ensure that non-controlled subsidiaries also follow best practices in this respect.

### **3. THE COMPANY'S DE&I PRINCIPLES**

In its operations the Company is committed to upholding the following DE&I principles:

#### **3.1. Respect for stakeholder interests**

The Company takes into account expectations and interests of the stakeholders in DE&I in the process of its operation and conducts an ongoing dialog with them in this area (according to the procedure described in Section 5 of this Policy). The Company is open for discussion of any DE&I matters with the stakeholders and creates conditions to discuss them.

#### **3.2. Compliance with applicable legislation**

The Company upholds the supremacy of law: it complies with and monitors applicable legislation including in respect of DE&I and informs employees of their liability in the event of non-compliance with applicable legislation.

#### **3.3. Observing and upholding human rights**

The Company recognizes the importance of observing and upholding the rights of all individuals and makes best efforts to ensure that MTS Group observe and uphold these rights by taking due account of the provisions of the International Bill of Human Rights.

The Company does not tolerate discrimination of any kind and does everything in its power to combat discrimination, with due regard for the provisions of the International Labor Organization's Convention No. 190 on "Eliminating Violence and Harassment in the World of Work"<sup>2</sup>.

In its operations the Company also strives to ensure observance of human rights by stakeholders.

#### **3.4. Doing business ethically**

The Company seeks to do business ethically. Behavior is considered ethical if it complies with sustainability principles, the Company's strategy, and the principles and rules set out in the Company's Code of Business Conduct and Ethics. The Company applies the principles of good faith, honesty and openness, and also focuses on developing and reinforcing a culture of compliance. The Company believes that building up a responsible supply chain plays an important role in achieving sustainability goals including fostering an equal and inclusive environment, and follows this principle in building up its supply chain.

In all of its markets of presence, the Company's activity is based on applicable anti-corruption legislation and is guided by provisions of the Code of Business Conduct and Ethics, as well as other internal regulatory documents regarding anti-corruption efforts.

#### **3.5. Equality and non-discrimination**

3.5.1. The Company does not tolerate violations of human rights of any kind and upholds principles of equality (including gender equality) and non-discrimination in its operations.

3.5.2. The Company takes into account DE&I principles when developing and implementing innovative technologies, which results in improvements to products and services with regard to stakeholder interests.

#### **3.6. Improvement of corporate governance**

The Company enhances its corporate governance on an ongoing basis in line with international best practice, which contributes to creating an atmosphere of trust, transparency and responsibility and supports alignment between the Company's targets and the interests of society including in DE&I by building up strong long-term relationships with stakeholders.

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<sup>2</sup> concluded in Geneva on 21.06.2019

### **3.7. DE&I disclosure**

The Company regularly makes public disclosures around DE&I and considers constructive criticism from stakeholders as valuable feedback for enhancing its DE&I practices.

## **4. THE COMPANY'S DE&I PRIORITIES**

**4.1.** The Company has established DE&I priorities aimed at ensuring compliance with the DE&I principles outlined in Section 3 of this Policy. These priorities include the following:

### **4.1.1. Ensuring an inclusive environment**

- Complying with human rights legislation;
- Developing an inclusive and diverse culture;
- Supporting ethnic and national diversity;
- Ensuring a barrier-free environment;
- Employing people of all ages with special needs;
- Supporting socially vulnerable people;
- Providing digital social products and services for people with special needs;
- Involving people of different ages, genders, ethnicities, social backgrounds and religious and political beliefs in business processes;
- Providing equal access to resources and services for all.

### **4.1.2. Ensuring gender equality at all levels**

- Providing equal opportunities for development regardless of gender.

### **4.1.3. Digital development and training**

- Providing accessible products and services for all;
- Promoting digital literacy (digital skills training);
- Training qualified IT specialists;
- Developing digital Infrastructure;
- Providing technologies and solutions for online training;
- Giving employees advanced and additional training, including on interaction with people with special needs.

### **4.1.4. Health and safety**

- Ensuring a comfortable and safe working environment;
- Encouraging employees to adopt a healthy lifestyle;
- Protecting children, the socially vulnerable, employees and customers from harmful content;
- Protecting children's rights by providing information, customized products and services;
- Providing customers with products and services that are safe to use.

### **4.1.5. Regional social and economic development:**

- Implementing social programs to support regional communities;
- Supporting regional social institutions and residents with help from volunteers, including employees;
- Charity;
- Developing programs aimed at providing equal social opportunities to residents of different regions, including small and hard-to-reach regions;
- Providing social and economic support for nonprofit and nongovernmental organizations;
- Supporting small and micro businesses.

### **4.1.6. DE&I public reporting**

- Disclosing nonfinancial reporting on the Company's DE&I activities in accordance with international standards;
- Disclosing information on management of the Company's ESG agenda as it pertains to DE&I.

**4.2.** The list of the Company's DE&I priorities areas outlined in Clause 4.1 is not exhaustive. The Company's DE&I priorities may be supplemented in response to changes in the Company's ESG strategy and sustainability and corporate social responsibility strategy, as well as in response to amendments to the Company's DE&I strategy (provided that the Company's DE&I strategy is approved).

**4.3.** The persons responsible for implementing the Company's DE&I activities and their roles shall be determined by the Company's governing bodies and the Company's DE&I strategy (if approved); they may also be included in the Company's ESG strategy.

## **5. INTERACTION WITH STAKEHOLDERS**

**5.1.** The activities of MTS Group companies focus on supporting the sustainable development of society and MTS Group companies, as well as on achieving the strategic business goals of MTS Group companies with due regard for the interests of all stakeholders.

**5.2.** The Company believes that interaction with stakeholders as it pertains to DE&I is an important and integral condition of Policy implementation and helps improve DE&I practices.

**5.3.** When determining and classifying key stakeholders in DE&I, the Company is guided by its business and ESG strategies, its sustainability and corporate social responsibility strategy, as well as its DE&I strategy (if approved and adopted by the Company). The Company's approach to determining stakeholder groups is based on the criteria recommended by the AA1000 Stakeholder Engagement Standard (SES).

**5.4.** The Company is open to interaction on DE&I issues with any stakeholders, including those not specified in Clause 2.1. For questions on these issues, please contact the relevant departments at the addresses specified in Clause 7.

For any questions concerning the implementation of external DE&I programs, please contact the Strategic Communications Department of the Ecosystem Development and Marketing Function by email: [pr@mts.ru](mailto:pr@mts.ru).

## **6. WARRANTIES AND LIMITATIONS**

**6.1.** MTS ensures compliance with this Policy by establishing transparent and fair mechanisms for its implementation in Company bylaws, as well as by calling on all stakeholders to comply.

**6.2.** This Policy will be communicated to all Company employees and will be taken into account when interacting with all stakeholders. It will also be posted in Russian and English on the websites: [www.mts.ru](http://www.mts.ru) and [www.ir.mts.ru](http://www.ir.mts.ru).

## **7. CONSULTING ON POLICY APPLICATION**

**7.1.** Should you have any questions regarding the principles and rules established by this Policy or by any of the Company's other DE&I-related bylaws or suggestions for improving the Company's DE&I practices, please contact MTS's Social Responsibility, Diversity and Inclusion Center by email: [csr@mts.ru](mailto:csr@mts.ru).

**7.2.** For any questions regarding procedures on human rights, business ethics and compliance, please contact a compliance manager or MTS's Business Ethics and Compliance Department by email: [compliance@mts.ru](mailto:compliance@mts.ru).

**7.3.** Should you have any questions or suggestions for supporting local communities in the Company's area of operations, customers, partners, etc., please contact the Strategic Communications Department of the Ecosystem Development and Marketing Function by email: [pr@mts.ru](mailto:pr@mts.ru).

## **8. REPORTS ON VIOLATIONS**

**8.1.** Employees who become aware of or who have reason to suspect that the principles and rules of this Policy or the requirements of the applicable law have been violated may immediately report this in any of the following ways:

- Contact a line manager or a senior manager if the suspected violation relates to the line manager's actions (in any form);
- Send a message to the external hotline by email: [external.hotline.mts@ru.ey.com](mailto:external.hotline.mts@ru.ey.com) (including anonymously);
- Contact a compliance manager (in any form);
- Submit a report through the feedback form on the corporate portal: [hotline-mts.ey.com](http://hotline-mts.ey.com) (including anonymously);
- Submit a report through the Our MTS application (including anonymously);
- Call 8 800 234 44 18 toll-free from within Russia, or use dedicated phone lines for toll-free calls from Russia and certain other countries;
- Submit a report through the feedback form on the Company's website: [hotline-mts.ey.com](http://hotline-mts.ey.com) (anonymously or on one's own behalf).

**8.2.** Individuals who are not Company employees can report violations in any of the following ways:

- By email to the independent Unified Hotline: [external.hotline.mts@ru.ey.com](mailto:external.hotline.mts@ru.ey.com) (including anonymously);
- Calling 8 800 234 44 18 toll-free from within Russia, or by calling from a dedicated phone line for toll-free calls from Russia and certain others countries;
- Through the feedback form on the Company's website: [hotline-mts.ey.com](http://hotline-mts.ey.com) (anonymously or under their own name).

Telephone numbers for the Unified Hotline in other jurisdictions are posted on the Company's website: [www.mts.ru](http://www.mts.ru).

**8.3.** The Company ensures that all reports on violations of the Policy are treated independently and thoroughly in accordance with Company bylaws and regulations on processing reports:

- Confidentiality: the Company guarantees that the identity of anyone submitting a report will not be disclosed;
- Competence: reports shall be reviewed by staff members qualified to do so;
- Timeliness: reports shall be processed and reviewed within the prescribed time frames.

**8.4.** The Company prohibits retaliation in any form against anyone who reports a breach in good faith, contributes to an investigation, or refuses to be involved in activities in violation of the principles and requirements of the Policy and the Code of Business Conduct and Ethics.

**8.5.** Anyone who is subject to the Policy and who has violated its requirements may face sanctions up to dismissal and/or termination of contracts in accordance with the provisions of said contracts and the applicable legislation.

**8.6.** More detailed requirements for reports on violations can be found in [ПП-319 "Processing of the Unified Hotline Messages of MTS Group"](#), [ПП-053 "Internal Investigations"](#).



## **9. POLICY IMPLEMENTATION**

**9.1.** MTS recognizes the importance of implementing the Policy in all of its business processes; therefore, all Company officials, employees and structural units are involved in its implementation. The Company's governing bodies and its structural units shall elaborate solutions for implementing the Policy subject to their competencies and MTS bylaws.

**9.2.** Persons who are subject to the Policy, irrespective of their positions, shall be responsible for compliance with the Policy and applicable legislation, including on the part of their subordinates by supervising their actions.

**9.3.** The following governing bodies and units participate in the development of DE&I approaches and oversee their implementation:

- the Company's Board of Directors determines a development strategy for the Company that includes strategic elements related to different business lines;
- the ESG Committee monitors implementation of sustainability principles within the Company, participates in the development of the Company's ESG strategy and reviews the results of its implementation;
- the ESG Competence Center develops and implements the ESG strategy, synchronizes initiatives and manages a project portfolio, provides internal consulting services to business verticals in the ESG area, scales up best practices in the MTS ecosystem, and regularly collects, monitors and consolidates ESG data from the Company's business verticals/functions;
- MTS's Social Responsibility, Diversity and Inclusion Center coordinates DE&I activities, bears responsibility for Policy development and implementation and for submitting DE&I reports to the Company's governing bodies;
- MTS's Business Ethics and Compliance Department participates in the development of DE&I approaches and processes in relation to business ethics and protection of human rights; it also oversees implementation and observance of DE&I compliance procedures;
- MTS's Strategic Communications Department is responsible for implementation of public DE&I programs and for submitting reports on DE&I initiatives;
- other Company units perform activities subject to their competence as determined by MTS's governing bodies.

**9.4.** When implementing this Policy, persons who are subject to the Policy are governed by Company bylaws.

## **10. INTERNAL AND EXTERNAL ENVIRONMENT**

**10.1.** The Company considers DE&I support an integral part of its corporate social responsibility—responsibility on the part of MTS Group for the impact of its decisions and activities on society and the environment through ethical business conduct that:

- is in line with sustainability principles and contributes to social welfare;
- considers the expectations of stakeholders;
- is in line with international standards on business conduct; and
- applies throughout the Company.

**10.2.** The Company has developed and uses a system of DE&I bylaws governing protection of human rights, sustainability and corporate social responsibility, as well as business ethics and compliance.

**10.3.** The Company monitors international DE&I legislation, analyses feedback from stakeholders and, if necessary, improves its DE&I processes, practices and bylaws.

## **11. FINAL PROVISIONS**

**11.1.** This Policy does not supersede or cancel regulations established by legislation. At the same time, it may set additional rules and requirements. If applicable legislation, bylaws and/or rules of regulators and stock exchanges set mandatory, stricter and/or other requirements than those established by this Policy, such stricter and/or other requirements must be met.

**11.2.** Any changes and amendments to this Policy shall be approved by the Company's Board of Directors and enter into force as of the date of approval unless otherwise stipulated by the decision of the Board of Directors.

**11.3.** The Company's bylaws adopted to implement this Policy must not contravene this Policy. In case of any discrepancies between this Policy and relevant Company bylaws, this Policy shall prevail.

**11.4.** If, as a result of changes in legislation or bylaws and/or rules of regulators and stock exchanges in force with respect to the Company, certain provisions of this Policy conflict with said legislation, bylaws and or rules of regulators and stock exchanges, such provisions shall apply subject to the essential requirements of said laws, by-laws and rules of regulators and stock exchanges in force with respect to the Company or shall become invalid, and this Policy shall continue to apply to the extent that it does not contradict said legislation, bylaws and or rules of regulators and stock exchanges. Until this Policy is amended, all members of the governing bodies and employees of the Company, all stakeholders, as well as other persons specified herein shall be governed by the laws, bylaws and rules of regulators and stock exchanges currently in force and applicable to the Company.