

**APPROVED BY**

order of the CEO of X5 Retail Group  
dated December,27 2017 No. 01-3-CEO/47

## **X5 Retail Group's Declaration on Human Rights Protection**

**Number  
in the Internal  
Regulations  
Register**

---

YPBK.KO/03

**Effective  
from**

---

27/12/2017

## Contents

1. Overview.....	3
2. Principles and rules for implementing the Declaration .....	3
3. Roles and responsibilities .....	5
4. Related documents.....	5
5. About the document .....	6

## 1. Overview

### 1.1. Terms and abbreviations

The following terms and abbreviations shall be used herein:

No.	Term/abbreviation	Definition
1.	Hotline	"Hotline" shall mean a channel for employee messages on violations of the Code of Business Conduct and Ethics.
2.	Law	Laws and by-laws that affect the Company in all applicable jurisdictions, including extraterritorial provisions of laws and by-laws (including, but not limited to those listed in Section 4).
3.	Company, X5	X5 Retail Group, which includes Torgovy Dom PEREKRESTOK, Agrotorg, Agroaspect and other legal entities that constitute the same group of entities for the purposes of Article 9 of Federal Law 135-FZ On Protection of Competition dated 26 July 2006.
4.	Employee	"Employee" shall mean an individual employed by an Employer.
5.	Employer	A legal entity within X5 Retail Group that has employed an Employee.
6.	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 the Law, constituent documents, internal regulations and policies, and contracts.
7.	Human rights	The inalienable rights of every human being.
8.	Child labour	Engagement of children in labour on a regular basis.
9.	Bonded labour	Services provided by an employee in a position of economic dependence.
10.	Forced labour	Work performed under threat of punishment (violence).

### 1.2. Purpose and scope

1.2.1. X5's Declaration on Human Rights Protection (the "Declaration") defines its principles and rules in respect of compliance with, and promotion of, high international standards for the protection of human rights at every level of the Company's operations. These principles and rules are based on the recognition of every human being's dignity, and the freedom and equality of all humans.

1.2.2. Every employee of the Company shall comply with this Declaration.

## 2. Principles and rules for implementing the Declaration

When implementing the Declaration, the Company adheres to the generally accepted principles and norms of international law, the Constitution of the Russian Federation and other laws and regulations of the Russian Federation, including, but not limited to the following documents:

- 2.1.1. United Nations Universal Declaration of Human Rights;
- 2.1.2. International Covenant on Civil and Political Rights;
- 2.1.3. International Covenant on Economic, Social and Cultural Rights;
- 2.1.4. International Labour Organization Declaration on Fundamental Principles and Rights at Work;
- 2.1.5. Voluntary Principles of Security and Human Rights;
- 2.1.6. Guiding Principles on Business and Human Rights.

2.2. The Company's human rights protection activities are managed in compliance with the following principles and rules:

- 2.2.1. No discrimination or forced labour

The Company tolerates no discrimination on any grounds or forced labour with respect to its employees, customers, or partners. Each employee has equal opportunities for merit recognition and career growth. No one may be restricted in labour rights and freedoms or receive more favourable treatment on the grounds of sex, race, colour, nationality, language, origin, property or family status, social or occupational position, age, place of residence, attitude towards religion, beliefs, affiliation or non-affiliation to public associations or any social groups, as well as on other grounds not related to the employee's professional qualities.

It is not discriminatory to introduce distinctions, exceptions, preferences, as well as to restrict the rights of employees as per the requirements for the respective types of work under the 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, promote the employment of citizens of the Russian Federation on a priority basis and to achieve other aims of the state's Declaration, both internal and external.

This principle applies to all stages and aspects of employment relations, including recruitment, hiring, reassignment, dismissal, guarantees and compensation, training, etc. All employees are expected to observe the principles of equality and non-discrimination.

#### 2.2.2. No abuse

X5 protects its employees from any physical, verbal, sexual or psychological abuse in the workplace. The Company fosters respect and ethical working conditions.

#### 2.2.3. Respect for cultural diversity

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

#### 2.2.4. Observance of the rights to freedom of assembly and association

The Company respects the rights of its employees to freedom of assembly and association, freedom of opinion and expression, rights to establish, join or not join trade unions or other associations supporting their interests.

#### 2.2.5. Occupational health and safety

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

#### 2.2.6. Working conditions

The Company ensures equal rights and opportunities for its employees and the right of each employee for a fair salary paid in time and in full.

### 2.3. The framework for implementing and monitoring human rights protection includes the following elements:

2.3.1. The Company pays due regard to all aspects of its operations that may involve violations and/or restriction of human rights. Among other things, this approach includes:

- risk assessment incorporating assessment of potential risks that may emerge as part of the Company's operations in terms of their actual impact on human rights;
- consultations with stakeholders whose rights may be affected, restricted or violated.

2.3.2. The key principles of the Declaration are implemented through other Company by-laws, including the Code of Business Conduct and Ethics. All employees receive general training on the Code of Business Conduct and Ethics.

2.3.3. X5 places a particular focus on reviewing complaints and grievances related to human rights violations. The Company has a procedure in place for confidential

submission of complaints and grievances and reviewing the same, including those related to human rights violations.

The review procedure is set out in X5's relevant by-laws available on its internal corporate portal.

#### 2.3.4. Ethics Hotline

Our hotline is a channel for employee messages on violations of the Code of Business Conduct and Ethics.

Hotline contacts:

- Email: [hotline@x5.ru](mailto:hotline@x5.ru)
- Phone: +7 800 200 2613
- For employees and third parties wishing to report corruption, fraud or other misconduct directly to the Head of Security, there is a hotline on X5's official website: <https://www.x5.ru/ru/Pages/Partners.aspx> "Complaint to the Head of Security".

All hotline messages are processed by the Compliance Department. Alleged violations are investigated, addressed and reported to the Authorised Bodies on a monthly basis.

The Company takes measures to address any identified human rights violations and prevent such violations in the future in accordance with its internal procedures.

2.3.5. The Company is constantly monitoring and ensuring its compliance with this Declaration.

2.3.6. Overall results of the Company's performance pertaining to human rights protection are disclosed in its Annual Report.

### 3. Roles and responsibilities

Position / unit / role	Responsibilities and objectives
Compliance Department	manages the Hotline; <ul style="list-style-type: none"> <li>– takes part in reviewing cases of rights violation upon receiving complaints;</li> <li>– monitors and controls the Company's efforts to uphold this Declaration;</li> <li>– develops and updates the training programme on the Code of Business Conduct and Ethics.</li> </ul>
Organisational Development Department	<ul style="list-style-type: none"> <li>– drafts employment contracts in compliance with the applicable Law and regulates labour relations in the Company within its area of responsibility;</li> <li>– takes part in reviewing cases of rights violation upon receiving complaints;</li> <li>– arranges the technical aspects of employee training, including in areas related to the Code of Business Conduct and Ethics.</li> </ul>
Security Department	<ul style="list-style-type: none"> <li>– takes part in reviewing cases of rights violation upon receiving complaints.</li> </ul>

### 4. Related documents

No.	Document name
-----	---------------

No.	Document name
<b>Documents (legal sources, standards, etc.) and internal regulations</b>	
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 1,496 <sup>th</sup> plenary meeting with resolution 2200 (XXI) on 16 December 1966)
3.	The International Covenant on Economic, Social and Cultural Rights (adopted by the United Nations General Assembly during the 1,496 <sup>th</sup> plenary meeting with resolution 2200 (XXI) on 16 December 1966)
4.	ILO Declaration on Fundamental Principles and Rights at Work (adopted in Geneva on 18 June 1998)
5.	The Voluntary Principles on Security and Human Rights
6.	Guiding Principles for Business and Human Rights (OHCHR, 2011)
7.	Constitution of the Russian Federation (adopted by national referendum on 12 December 1993), as amended by Russian Federation laws on amendments to the Constitution dated 30 December 2008 (No. 6-FKZ), 30 December 2008 (No. 7-FKZ), 5 February 2014 (No. 2-FKZ), 21 July 2014 (No. 11-FKZ)
8.	Anti-Abuse Declaration of the X5 group of companies No. URVK.KO/02 dated 14 September 2017
9.	Code of Business Conduct and Ethics of X5 Retail Group dated 16 December 2015 and of the X5 group of companies No. 01-10-SEO/4 dated 25 August 2016
10.	Procedures for reporting and reviewing alleged violations of the Code of Business Conduct of the X5 group of companies No. 01-10/29 dated 1 October 2015

## 5. About the document

5.1. Version: 1.0.

5.2. Document initiator: Compliance Department

5.3. Document owner: Head of the Compliance Department

5.4. Effective period: effective from \_\_\_ December 2017

5.5. Review: once per year

5.6. Person responsible for review: Head of the Compliance Department

5.7. Responsibility for keeping the document:

- hard copy (with the respective regulation) – Document Management and Archive Service;
- electronic document on the Company's website – Organisational Changes Department.

5.8. Scope: All legal entities within the group of companies X5 Retail Group, within the meaning of Article 9 of Federal Law No. 135-FZ On Protection of Competition

5.9. Amendment history:

Version	Date	Amendment description	Author
1.0	15 December 2017	Initial version	M. Khomenko