

# Environmental Policy

## Introduction

The Environmental Policy (hereinafter referred to as the “Policy”) of Polymetal International plc (“Polymetal”) and its subsidiaries, but in any case, excluding JSC Polymetal and its subsidiaries<sup>1</sup> (together “the Group”, and each individually a “Group Company”) introduces a standardized approach to environmental management across the business. By establishing this Policy, we express our commitment to avoiding or, where this is not possible, mitigating any harmful impact our activities may have on the environment by planning, operating and decommissioning all of our projects in an environmentally responsible manner.

We adhere to Principles of the International Council of Mining and Metals (ICMM), which cover the continual improvement of environmental performance, the conservation of biodiversity and rational land-use planning.

## Terms and definitions

Biodiversity – the variety of flora and fauna in a particular ecosystem or habitat.

Management – executive managers of Group Companies who have the authority to make or materially influence major commercial, financial and personnel decisions within their Group Company. Management is responsible for ensuring the overall compliance of Group Companies with this Policy, and the relevant internal policies and procedures of Group Companies regulating environmental management, consistent with this Policy.

## Scope of the Policy

This Policy applies to:

- Polymetal International plc;
- All other Group Companies<sup>2</sup>; and
- All permanent and temporary employees, contractors, managers, officers, directors, business partners and other third parties employed or engaged by, or providing services on behalf of, the Group.

## Commitments and provisions

As a company of the precious metals mining industry, we recognize our responsibility to protect the environment and preserve biodiversity. In order to ensure sustainability, we strive to minimise our environmental impact and strengthen resource stewardship, applying a systematic approach to management through our Environmental Management System (EMS).

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<sup>1</sup> Entities directly or indirectly owned by JSC Polymetal 50 percent or more.

<sup>2</sup> The Scope of the Group’s Policy does not however extend to JSC Polymetal and its subsidiaries on the basis that their entire decision-making process is conducted by the management of JSC Polymetal and/or relevant subsidiary of JSC Polymetal. Such subsidiary undertakings have been ring-fenced as part of the Group’s response to the designation of JSC Polymetal by the U.S. Department of State. As long as the sanctions are in place Polymetal International plc has no oversight over such decision making process including implementation of policies and procedures.

## **We are committed to:**

- IDENTIFYING RISKS AND KNOWING HOW TO MANAGE THEM

We use a systematic approach to manage environmental risks at all stages of the mine life cycle: design, construction, operation and closure. We anticipate possible emergencies and ensure that we are ready to respond quickly.

- USING BEST PRACTICES AND STATE-OF-ART TECHNOLOGIES

We use modern technologies to prevent potential pollution as well as to preserve biodiversity and to reduce mining and processing waste disposal, air emissions and water discharge. We ensure that any natural resources and energy are used rationally.

- COMPLYING WITH ALL THE RELEVANT REQUIREMENTS

We make every effort to fully comply with local legislation in the countries of operation as well as other accepted obligations, including international requirements. We avoid areas of high biodiversity importance and operate a no-go policy for World Heritage Sites, Ramsar Sites and legally designated protected and adjacent territories. We ensure comprehensive land rehabilitation. We pay environmental taxes and fees in accordance with the national legislation.

- INCREASING ENVIRONMENTAL AWARENESS

We conduct environmental training and provide our employees and contractors with related information to make certain that everyone, regardless of position, understands their impact on the environment and biodiversity and takes responsibility to ensure their protection. We maintain a feedback mechanism giving everyone the opportunity to submit proposals on reducing our impact and encouraging environmentally conscious choices.

- ENGAGING OUR STAKEHOLDERS

We regularly consult our stakeholders on environmental issues, keep an open dialogue with them and coordinate management approaches. We maintain extensive stakeholder engagement on the Group's environmental programs and regularly report our material environmental performance indicators.

- CONSTANTLY INCREASING EFFICIENCY

We constantly monitor the environmental performance of Group Companies. We are open about and publically disclose any environmental issues and related solutions. To have better environmental outcomes we constantly improve our Environmental Management System and maintain its ISO 14001 certification.

## **Policy implementation**

The Policy should be considered as inseparable from, and viewed in the context of, the principles and approaches described in the Group's other policies covering material sustainability aspects, including the Climate Policy, the Tailings and Water Storage Facilities Management Policy, etc.

Group Companies are solely responsible for upholding the commitments and provisions set out in this Policy. These commitments and provisions apply to every aspect of the Environmental Management System and serve as a framework for setting environmental goals. All Group Companies shall implement internal policies and procedures regulating key environmental approach and management consistent with this Policy so far as they do not contradict the national legislation.

The internal environmental management policies and procedures of Group Companies can be found on the internal networks of the respective companies. All employees should be made aware of these policies and know where to find them. The policies can be also obtained by contacting the internal communication department of each Group Company.

Breaches of the main principles of this Policy, as well as breaches of the relevant internal policies and/or procedures of Group Companies, are a serious matter and may render employees liable to disciplinary

action, including dismissal, in accordance with applicable legislation, and the internal policies and procedures of Group Companies. Equivalent penalties will also apply to contractors, managers, officers, directors, business partners and third parties engaged by or providing services on behalf of the Group. In many jurisdictions, such breaches may also leave an employee liable to prosecution by law enforcement or regulatory bodies. These authorities may impose significant penalties for the misconduct of third parties acting on behalf of the Group. The Group will not hesitate to terminate its relationships with third parties who have been found to be in breach of this Policy.

The Group provides induction and ongoing training on the policies and procedures regulating environmental management for employees of the Group's business entities in accordance with internal regulations.

## **Review and monitoring**

The Policy has been approved by the Polymetal Board of Directors. The Safety and Sustainability Committee (hereinafter – the “Committee”) oversees the Group's compliance with the principles of this Policy and monitors Management's reporting.

This Policy is subject to review as needed but at least once in every three years by the Committee to consider if it remains appropriate and consistent with the applicable standards and practices, and to recommend any changes it considers desirable to the Board for approval.

The Management of Group Companies shall provide the resources to implement this Policy as well as conduct regular performance reviews against the principles of the Policy, internal policies and procedures, to ensure that we are fulfilling our commitments. Relevant Management of each Group Company is responsible for monitoring the Policy's implementation.

## **Contacts**

We welcome any queries from our stakeholders. Questions regarding the content and application of this Policy can be forwarded to our specialists in any convenient form, including by phone or via e-mail. Our contact details can be found in the Contacts section on Polymetal's official website.