

# Political and Charitable Donations Policy

## Introduction

This Political and Charitable Donations Policy (hereinafter referred to as the “Policy”) of Polymetal International plc (“Polymetal”) and its subsidiaries (together “the Group”, and each individually a “Group Company”) defines what social commitment means to the Group, including social partnership with local authorities and corporate donations in the Group’s regions of operation. These commitments aim to improve the social well-being of the Group’s workforce and increase Group’s involvement in the socio-economic development of its host communities.

This Policy establishes the rules for the charitable, social and political donations, payments and contributions, as well as establishing the procedure for monitoring how allocated funds are spent.

## Terms and Definitions

Social commitment – any voluntary contribution of to social development that is over and above the statutory minimum. This includes the Group’s responsibilities as business partner, employer and social partner.

Social partnership - partnership with local authorities and populations, including the indigenous peoples of the Russian North who live in or near the Group Companies regions of operation. Long-term socio-economic partnership agreements are guided by the Group’s priority funding areas.

Corporate charity - any voluntary assistance to those in need by the Group and/or its employees with the Group’s support.

Public or government official - anyone working in a legislative, administrative or judicial position or working for or on behalf of government-owned or controlled entities or agencies, political parties, party officials and political candidates or for a public international organisation whose members are either (1) countries or territories; (2) governments of countries or territories; or (3) other public international organisations. For the purposes of this Policy, this term will also cover immediate family members (parents, spouses, children, in-laws and siblings), consultants who hold government positions, employees of companies owned or controlled by governments, political party officials, or employees retained by government agencies, and anyone else to whom the Public official provides material support.

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 overall compliance of Group Companies with this Policy, and the relevant internal policies and procedures of Group Companies regulating employee conduct, consistent with this Policy.

## Scope of the Policy

This Policy applies to:

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

## Commitments and provisions

Priority funding areas are:

- Healthcare and education: repairing, restoring and upgrading the facilities and equipment of healthcare and educational institutions in the Group Companies regions of operation (schools, nurseries, boarding schools, hospitals, clinics, etc.); providing local populations at remote regions with quality healthcare; developing educational programmes and projects.
- Youth sport: sponsoring children's and youth teams; financing sports tournaments and events; building playing-fields and sports facilities; providing sports equipment.
- Indigenous minorities of the Russian North ("IMN"): supporting the traditional IMN way of life; transportation availability; supplying essential goods, food and tools; preserving IMN cultural heritage, arts and crafts.
- Development of infrastructure in the regions of operation: improving local infrastructure; providing logistical solutions to support everyday life in the Group Companies regions of operation (purchasing fuel, public transport, etc.).
- Culture and creativity: creating opportunities for people in the Group Companies regions of operation to develop their creativity; restoring cultural institutions and supplying them with the necessary equipment; supporting cultural festivals and competitions aimed at children; supporting village and city events.
- Environmental responsibility, awareness and community engagement: supporting the involvement of employees and local people in environmental initiative, clean-up days, competitions and other environmental events; providing equipment to children's environmental study groups and public organisations.

Polymetal and Group Companies strictly prohibit the issuing of payments, contribution or donations:

- to political parties and coalitions, including independent candidates standing for any elected office;
- to any kind of public official;
- in support of activities that are in conflict with Group's Code of Conduct.

A set of procedures has been implemented within Group Companies to monitor and control social partnership agreements and payments made to charities and non-profit organisations. All payments are subject to comprehensive review and must be properly documented to gain the approval.

## Social partnership

Social partnership is formed by entering into long-term agreements with the local authorities in areas where the Group operates. These agreements define the general principles of interaction between all the parties involved.

Funding targets are determined annually in accordance with the agreements and in the following order:

1. Public relations management of Group Companies conduct an annual review of the socio-economic situation and the needs of the local residents, including indigenous people, in the Group's areas of operation. The review examines population change, the number of preschool and school children as well as access to and the condition of social facilities, etc.
2. Public Relations teams and the managing directors of the Group Companies gather information by either holding annual public meetings with the local population or conducting surveys in the case of indigenous peoples and remote areas. The results of these meetings and surveys must be documented and then submitted to the official responsible for information and social policy matters in accordance with the internal policies and procedures of the respective company of the Group.

3. A list of potential facilities and events for funding should be drawn up based on the results of the meetings, surveys and reviews, taking the aforementioned funding priorities into account. This list is submitted for approval to the official responsible for information and social policy matters in accordance with the internal policies and procedures of the respective company of the Group. Proposals made by local authorities must be assessed against the findings of the meeting, surveys and reviews.

4. The list of facilities for funding is submitted to the Management of the Group for consideration and approval.

5. The list of facilities for funding will be agreed with the local authorities.

All social partnership agreements must contain a procedure to monitor every payment made by the Group Companies:

1. Funds for each approved social event/facility will be allocated following receipt of a written request from local authorities to purchase property and labour, which should include the following information:

- a. exact name and required characteristics of the property or the type and quantity of work;
- b. value of the property or work;
- c. timeframe for property acquisition or performance of work;
- d. amount of money payable and timeframe for the transfer of funds;
- e. name and bank details of the recipient of funds (if the recipient will purchase property or work on behalf of the partnership agreement), or the recipient of property or work.

2. The Group Companies must consider a request within 30 days and independently decide how the request will be executed.

3. Local authorities agree to fulfil their obligations to implement the approved social event/facility in full and on time.

4. The Group Companies can meet their obligations to finance social events/facilities by either donating funds to local authorities, donating property/equipment to the hosting organisation (nursery, school, hospital, etc.) or performing the work required itself.

5. Funding is provided under the continuous supervision of the managing directors of the Group Companies, public relations departments and officials responsible for information and social policy matters in accordance with the internal policies and procedures of the Group Companies, who:

- a. audit the proper use of funds to avoid the use of property or work for commercial purposes;
- b. request documentation from local authorities to prove that the funds, property or work have been used properly;
- c. audits the efficiency, quality and speed with which local authorities implemented the approved social event/facility.

6. Local authorities must provide the relevant Group Company with a detailed annual report on how received funds were spent and provide a public report to inform the local population.

When a misuse of funds, property, or completed work is detected, the relevant Group Company must demand that the misused funds are returned or funds equal to the value of misused property or completed work.

The financing of social partnerships will be controlled by the relevant Group Company and local population:

1. Local authorities must provide the Group Companies with detailed annual reports on how the funds received were spent.

2. Beneficiaries must report to the Group Companies in the written form on how the funds they received were spent.
3. The Group Companies have the right to request confirmation on how fund were spent from beneficiaries in the form of billing receipts and other documents.
4. The Group Companies and local authorities must report to the local population every year on the programs/events delivered. The reports will be given during meetings with the public, indigenous peoples and/or in the local media publications.

## Corporate charity

In its corporate charity activities, the Group's companies should aim give targeted aid to socially vulnerable groups, with priority given to the following: the poor, severely ill, children, elderly people and other at risk groups. The list of priorities can be extended if deemed necessary in the review of the socio-economic situation and if agreed by the designated official responsible for information and social policy in accordance with the internal policies and procedures.

Activities for funding are selected in the following order:

1. Public relations departments of Group Companies conduct an annual review of the socio-economic situation and gather suggestions from the local population and charities in areas of operation to identify prospective projects and targeted groups to support.
2. The Group Companies advertise their contact details, telephone numbers and emails in public places to give public and charities the opportunity to send in the requests/suggestions.
3. An annual list of the planned corporate charity activities will be drawn up based on the requests received, review and information gathered, as well as taking managing directors' opinions account of and in consulting with the officials responsible for information and social policy matters. Managing directors of companies can make independent decisions on a number of charitable activities, taking responsibility for quality, compliance with the priorities and principles of the Corporate Charity and the proper use of funds according to the internal policies and procedures of the Group Companies.
4. All events funded under by Corporate Charity must be documented by individual agreements with public organisations and INM; charitable donations for those in desperate need may be transferred directly upon availability of supporting documentation and justification (medical certificates, etc.).

Group Companies oversee the Corporate Charity:

1. Financial aid can only be provided upon receipt of a written request and must be confirmed and substantiated by documents.
2. The Group Companies must inform the public about the activities it has funded every year via public meetings, the media, annual reports and other available channels.
3. Beneficiaries must report to the relevant Group Company every year about the received funds via written reports, advisory boards, round tables and the media. The Group Companies can request confirmation of the proper use of funds, such as billing receipts and other documents from beneficiaries.

Employees can promote and support to charity events and activities by donating, volunteering and in other forms as agreed with the management of the Group's companies and departments of public relations in accordance with the internal policies and procedures.

## 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 business ethics policies. These documents are available on Polymetal's website.

Group Companies shall retain sole responsibility for implementing and complying with the principles of this Policy. All Group Companies shall implement internal policies and procedures regulating moral and ethical conduct consistent with this Policy so far as they do not contradict the applicable laws and/or other regulatory requirements of the jurisdictions in which they operate.

The internal ethical conduct 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 Security Department of each Group Company.

Severe disciplinary action will be taken towards violations of this Policy, including, among other actions, dismissal, in accordance with applicable legislation, and the internal policies and procedures of the 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 individuals 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 relationship with third parties who have been found to be in breach of this Policy or other anti-corruption policies and procedures.

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

## **Review and monitoring**

The policy shall be approved by the Polymetal Board of Directors. The Audit and Risk 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 the annual review 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 conduct regular performance reviews against the principles of the Policy, as well as internal policies and procedures, to ensure that we are fulfilling our commitments. The Public Relations Department 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.