

# Tailings and Water Storage Facilities Management Policy

## Introduction

This Tailings and Water Storage Facilities Management Policy (hereinafter referred to as the “Policy”) of Polymetal International plc (“Polymetal”) and its subsidiaries (together “the Group”, and each individually a “Group Company”) declares the Group’s commitment to the prevention of hazards at tailings and water storage facilities that could lead to incidents affecting employees or communities, cause environmental damage and economic losses. We adhere to the principles of effective risk-management strategies and responsible design, use, re-use, recycling, continual improvement of environmental performance and disposal of products containing metals and minerals.

## Terms and Definitions

Tailings – a by-product of the mineral processing, which is usually created when mined ore is crushed, ground and recovered.

Accident risk – a hazard measure that features both the probability of an accident at the tailings or water storage facility and the severity of the disaster and its impact for the people’s life, health and property as well as for the businesses and the natural environment;

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 tailings and water storage facilities management, 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 other third parties employed or engaged by, or providing services on behalf of, the Group.

All Group Companies shall implement internal policies and procedures regulating tailings and water storage facilities management in accordance with this Policy and the applicable laws so far as they do not contradict the regulatory requirements of the jurisdictions where they operate.

## Commitments and provisions

We have introduced comprehensive, company-wide principles to ensure that tailings storage facilities (TSF) and water storage facilities (WSF) are managed in a competent socially and environmentally responsible way.

We are guided by the following principles:

- We ensure that TSF and WSF management complies with all the applicable regulatory requirements of the local jurisdiction and corporate standards;
- We apply the appropriate risk management approaches to TSFs and WSFs;
- We take geographical conditions into account during TSF and WSF management;
- We follow regulatory requirements and hold public hearings to inform/get feedback from local communities on plans to build TSF and WSF and their operations to minimise their environmental and social impact;
- We improve safety and reduce risks wherever possible to ensure the safe management of TSFs and WSFs;
- We establish effective measures to ensure proper management during emergencies;
- We only engage employees who are adequately trained and have the necessary professional skills to operate TSFs and WSFs. We constantly seek to improve our employees' professional skills by conducting regular trainings;
- We continuously monitor the quality of discharge water and that of local water bodies to ensure competent, socially and environmentally responsible management of Acid Rock Drainage (ARD).

## 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 and standards covering aspects related to industrial safety, environmental stewardship and social responsibility. 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 TSF and WSF management policies and procedures 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 TSF and WSF 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 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 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 or other TSF and WSF management policies and procedures.

The Group provides induction and ongoing training on the policies and procedures regulating TSF and WSF 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 the 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 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. Relevant Management of each Group Company is responsible for monitoring the Policy’s implementation.

## **Contacts**

We welcome 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 Contacts section on Polymetal’s official website.