Mine Closure Policy

Context

The Mine Closure Policy (hereinafter the “Policy”) of Polymetal International plc (“Polymetal”) introduces an approach for the final stage of the activities its subsidiaries, but in any case, excluding JSC Polymetal and its subsidiaries1 (together the “Group” and each individually a “Group Company”) undertake in areas of operations.

The Policy is built on three principles: ensuring safety of sites after closure, restoring natural habitats, and leaving a positive legacy for local communities.

Our priority is to work with state bodies to reduce long-lasting effects of mining operations on the environment. Our long-term remediation obligations include fulfilling decommissioning and restoration liabilities and covering suspension or abandonment costs in compliance with national regulations and legislation. We carry out geological, surveying and repair works to ensure that once a mine is suspended or abandoned, underground operations, drilling sites and buildings are not hazardous or dangerous.

Polymetal aims to minimise negative impacts on the communities by ensuring that the sites and facilities are left in a condition compatible with subsequent land use by the local population without any threat to human health.

Terms and Definitions

Site — open or closed mine pit and its stockpiles as well as all the infrastructure required for mining and processing operations, such as plant, office, workshop and campsite buildings, electric sub-stations, fueling stations, tailings facilities, dams, waste sites, roads, power lines and fences.

Mine closure — decommissioning, dismantling and land rehabilitation after ore extraction has been completed, as well as social responsibilities a Group Company has to fulfil to avoid human rights related risks.

Land rehabilitation — a comprehensive procedure to reclaim landscapes where technically possible and financially viable with the emphasis on planting native trees, seeding local herbs and creating habitats for the species.

Local community — local populations, public organisations and local authorities.

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 overseeing the overall consistency of each Group Company with the Policy, and the ensuring compliance with relevant internal policies and procedures of Group Companies regulating greenhouse gas emissions, consistent with this Policy.

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1 Entities directly or indirectly owned by JSC Polymetal 50 percent or more.
Scope of the Policy

The policy applies to:

- Polymetal International plc;
- All other Group Companies;
- All permanent and temporary employees, contractors, managers, officers, directors.

The policy should also be applied where possible to the terms of engagement with business partners and third parties employed or engaged by, or providing services on behalf of, the Group.

Commitments and Provisions

Each Group Company commits to pursue compliance with legislation in countries of operation, and with applicable national and international regulations towards mine closure and land rehabilitation. Each Group Company adopts the Policy in order to mitigate its impact on the environment and to ensure a thriving future for local communities.

This Policy supplements the Group’s Environmental Policy, with the goals of controlling and reducing its biodiversity footprint and mitigating adverse consequences for the environment, and Community Engagement Policy which provides the basis for the social responsibilities. To achieve the goals, Polymetal and each Group Company make commitments to focus on the following areas:

MINE CLOSURE PLANS

We each have a mine completion plan as part of the feasibility stage of a new mining project, which is reviewed periodically and when circumstances change.

We each ensure that closure planning reflects legal and regulatory requirements and reserve adequate financial resources for the process.

We each apply state-of-the-art technologies for the mine closure ensuring the safety and stability of structures and facilities during and after the closure and for further and subsequent use, and conduct post-closure monitoring until the responsibilities are transferred to a third party.

We each rehabilitate as much land as possible prior to closure to decrease the level of landscape alteration. We carry out additional environmental restoration during closure stage. The reclaimed land is returned to the Forest Landbank, or to the landbank from which the land was temporarily withdrawn for use.

RESOURCE TRANSFORMATION

We each strengthen community capacity during mine operations by means of investments in education, health and sport facilities, which create a solid basis for human well-being well beyond our presence in the area.

We each engage with local communities at all stages, namely design, construction, operation and closure. We inform them about the upcoming closure of the site and sign an agreement on the social partnership, which includes measures to resolve personnel issues and social obligations to the communities.

2 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.
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. These documents are available on Polymetal's website.

Each Group Company retains sole responsibility for implementing and complying with the principles of this Policy. Each Group Company shall implement internal policies and procedures consistent with the 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 policies and procedures of each Group Company shall be made available on the internal network of that company. All employees should be made aware of these policies and know where to find them. The policies can also be obtained by contacting the internal communication department of each Group Company.

Breaches of the principles of this Policy, and breaches of any relevant internal policies and/or procedures of Group Companies which implement this Policy, 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.

Polymetal will not hesitate to terminate its relationships with third parties who have been found to be in breach of this Policy or other environmental management policies and procedures. The management of Group Companies may adopt a similarly stringent approach with respect to their respective policies and procedures.

Polymetal and each Group Company provides induction and ongoing training on compliance with the environmental policies and procedures for employees of the relevant Group business entities in accordance with the internal regulations of that entity.

Review and Monitoring

The Policy has been approved by Polymetal International plc's Board of Directors. The Safety and Sustainability Committee (hereinafter the “Committee”) oversees Polymetal International plc and each Group Company's compliance with the principles of this Policy and monitors the reporting by Management of Group Companies issues through consolidated reporting.

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

Management of each Group Company is responsible for oversight of the performance of climate-related matters and monitoring the implementation of principles consistent with the Policy. The Management of each Group Company shall conduct regular reviews of that Group Company’s performance against the principles of the Policy, as well as its own internal policies and procedures, and use all reasonable endeavours to ensure that it is fulfilling the commitments set out in this Policy (including by taking appropriate active steps by training, supervision and enforcement).

Contacts

Polymetal International plc and each Group Company welcomes any enquiries from stakeholders. Questions regarding the content and application of this Policy can be forwarded to any of our specialists in any convenient form, including by phone or via email. The contact details of Polymetal International plc and the relevant Group Company representatives can be found in the Contacts section on Polymetal’s official website.