



HEALTH & SAFETY POLICIES

Petropavlovsk PLC ("Petropavlovsk" or the "Company") have Health & Safety policies in place which provide the basis for the Industrial Health and Safety Management System developed in line with the guidelines on occupational safety and health management systems of the International Labour Organisation (ILO-OSH 2001).

JCS Pokrovskiy Rudnik (POX Hub and Pioneer)

The strategic goal of JCS Pokrovskiy Rudnik is to comply with the standards and requirements in the field of industrial health and safety, as well as preservation favourable environment, taking into account acceptable risks and recognising the priority of lives and wellbeing of our personnel.

JCS Pokrovskiy Rudnik guarantees that it manages industrial risks associated with the impact on the employees' health, equipment and the environment. When planning activities at the enterprise, priority is given to preventing accidents, occupational diseases and reducing impact on the environment.

The health and safety policy establishes general goals to achieve the level of industrial safety and labour protection, corresponding to modern technologies, as well as the creation and implementation of effective production control systems for compliance with industrial safety and labour protection requirements at the facilities, namely:

- Continuous improvement of the state of industrial safety and labour protection and ensuring control over the fulfilment of these obligations;
- Risk reduction based on continuous identification, assessment and control;
- Achieving a consistent decrease in industrial injury rates, accidents and negative impact of production on the environment;
- Achievement of the level of health and safety corresponding the current state of development of science, technology and social requirements;
- Increasing the industrial safety of production facilities of the mine to the level, corresponding to the best indicators in the mining companies in the country through timely replacement and increasing the reliability of technological equipment, ensuring its safe and dependable operation;
- Creation and maintenance of an effective health and safety management system at the mine, ensuring regular planning and solutions for the key aspects of industrial safety and labour protection that arise before the enterprise;
- Reducing the impact of industrial risks from newly commissioned facilities by improving the quality of preparation of pre-design and project documentation and examinations.

To achieve the set goals JCS Pokrovskiy Rudnik undertakes the following obligations:

- Require all workers to carry out their functional duties in compliance with the current rules and regulations of health and safety rules;

- Take full range of measures to exclude cases of operational accidents and incidents, and if they occur, take measures to mitigate consequences for the health of personnel and the negative impact on the environment and property;
- Assess industrial and environmental risks, develop and implement measures on their reduction, compensation for losses caused by them;
- Ensure compliance with the requirements of the Federal, regional and local legislations, international agreements and corporate requirements, regulating the activities of mining companies in the field of health and safety;
- Involve all mine workers to actively participate in work on health and safety issues, resource-saving activities, introducing measures to motivate such participation, as well as provide central training and qualification improvements for all employees;
- Require all contractors carrying out work at production facilities to comply with our health and safety standards and norms;
- Inform our stakeholders about mine activity in the field of industrial safety, labour protection and environment;
- Review, adjust and improve, as necessary, our health and safety policy;
- Constantly improve the Industrial Safety and Security Management System.

JCS Pokrovskiy Rudnik is aware of its responsibility to its employees and the population living in the areas of its operations for the preservation of a favourable environment and the creation of safe working conditions at the enterprise. It will maintain an open dialogue with all stakeholders, and will work to improve the image of the enterprise in these areas.

Signed by S.A.Kaigorodov, General Director of Pokrovskiy Rudnik

LLC Albynskiy Rudnik (Albyn mine)

The strategic goal of LLC Albynskiy Rudnik is to become the industry's leader in areas of industrial health and safety, as well as preservation favourable environment, taking into account acceptable risks and recognising the priority of lives and wellbeing of mine workers.

LLC Albynskiy Rudnik guarantees that it manages industrial risks associated with the impact on the employees' health, equipment and the environment. When planning activities at the enterprise, priority is given to preventing accidents, occupational diseases and reducing impact on the environment.

The mine's health and safety policy establishes general goals to achieve the level of industrial safety and labour protection, corresponding to modern technologies, as well as the creation and implementation of effective production control systems for compliance with industrial safety and labour protection requirements at the facilities of the enterprise, namely:

- Continuous improvement of the state of industrial safety and labour protection and ensuring control over the fulfilment of these obligations;
- Risk reduction based on continuous identification, assessment and control;
- Achieving a consistent decrease in industrial injury rates, accidents and negative impact of production on the environment;
- Achievement of the level of health and safety corresponding the current state of development of science, technology and social requirements;

- Increasing the industrial safety of production facilities of the mine to the level, corresponding to the best indicators in the mining companies in the country through timely replacement and increasing the reliability of technological equipment, ensuring its safe and dependable operation;
- Creation and maintenance of an effective health and safety management system at the mine, ensuring regular planning and solutions for the key aspects of industrial safety and labour protection that arise before the enterprise;
- Reducing the impact of industrial risks from newly commissioned facilities by improving the quality of preparation of pre-design and project documentation and examinations.

To achieve the set goals LLC Albynskiy Rudnik undertakes the following obligations:

- Require all mine workers to carry out their functional duties in compliance with the current rules and regulations of health and safety rules;
- Take full range of measures to exclude cases of production accidents and incidents, and if they occur, take measures to mitigate consequences for the health of personnel and the negative impact on the environment and property;
- Assess industrial and environmental risks, develop and implement measures on their reduction, compensation for losses caused by them;
- Ensure compliance with the requirements of the Federal, regional and local legislations, international agreements and corporate requirements, regulating the activities of mining companies in the field of health and safety;
- Involve all mine workers to actively participate in work on health and safety issues, as well as provide central training and qualification improvements for all employees;
- Require all contractors carrying out work at production facilities to comply with our health and safety standards and norms;
- Inform our stakeholders about mine activity in the field of industrial safety, labour protection and environment;
- Review, adjust and improve, as necessary, our health and safety policy;

LLC Albynskiy Rudnik is aware of its responsibility to its employees and the population living in the areas of its operations for the preservation of a favourable environment and the creation of safe working conditions at the enterprise. It will maintain an open dialogue with all stakeholders, and will work to improve the image of the enterprise in these areas.

The policy will be subject to periodic reviews, in order to remain in line with legal and regulatory requirements as well as best international practices. All employees will be informed of any changes.

*Developed by M.V.Silich, Deputy Chief Engineer for Health and Safety
Approved by S.A.Kaigorodov, Chief Engineer*

LLC Malomirskiy Rudnik (Malomir mine)

The strategic goal of LLC Malomirskiy Rudnik is to become the industry's leader in areas of industrial health and safety, as well as preservation favourable environment, taking into account acceptable risks and recognising the priority of lives and wellbeing of mine workers.

LLC Malomirskiy Rudnik guarantees that it manages industrial risks associated with the impact on the employees' health, equipment and the environment. When planning activities at the enterprise, priority is given to preventing accidents, occupational diseases and reducing impact on the environment.

The health and safety policy establishes general goals to achieve the level of industrial safety and labour protection, corresponding to modern technologies, as well as the creation and implementation of effective production control systems for compliance with industrial safety and labour protection requirements at the facilities of the enterprise, namely:

- Continuous improvement of the state of industrial safety and labour protection and ensuring control over the fulfilment of these obligations;
- Risk reduction based on continuous identification, assessment and control;
- Achieving a consistent decrease in industrial injury rates, accidents and negative impact of production on the environment;
- Achievement of the level of health and safety corresponding the current state of development of science, technology and social requirements;
- Increasing the industrial safety of production facilities of the mine to the level, corresponding to the best indicators in the mining companies in the country through timely replacement and increasing the reliability of technological equipment, ensuring its safe and dependable operation;
- Creation and maintenance of an effective health and safety management system at the mine, ensuring regular planning and solutions for the key aspects of industrial safety and labour protection that arise before the enterprise;
- Reducing the impact of industrial risks from newly commissioned facilities by improving the quality of preparation of pre-design and project documentation and examinations.

To achieve the set goals LLC Malomirskiy Rudnik undertakes the following obligations:

- Require all mine workers to carry out their functional duties in compliance with the current rules and regulations of health and safety rules;
- Take full range of measures to exclude cases of production accidents and incidents, and if they occur, take measures to mitigate consequences for the health of personnel and the negative impact on the environment and property;
- Assess industrial and environmental risks, develop and implement measures on their reduction, compensation for losses caused by them;
- Ensure compliance with the requirements of the Federal, regional and local legislations, international agreements and corporate requirements, regulating the activities of mining companies in the field of health and safety;
- Involve all mine workers to actively participate in work on health and safety issues, as well as provide central training and qualification improvements for all employees;
- Require all contractors carrying out work at production facilities to comply with our health and safety standards and norms;
- Inform our stakeholders about mine activity in the field of industrial safety, labour protection and environment;
- Review, adjust and improve, as necessary, our health and safety policy;
- Constantly improve the Industrial Safety and Security Management System in line with OHSAS 18001:1999 international standard and ILO-OSH 2001 guidelines on occupational safety

LLC Malomirskiy Rudnik is aware of its responsibility to its employees and the population living in the areas of its operations for the preservation of a favourable environment and the creation of safe working conditions at the enterprise. It will maintain an open dialogue with all stakeholders, and will work to improve the image of the enterprise in these areas.

The policy will be subject to periodic reviews, in order to remain in line with legal and regulatory requirements as well as best international practices. All employees will be informed of any changes.

A copy of the mine's health and safety policy for guidance to action and for the purpose of informing labour collectives.

Signed and approved by Biryukov A.V., Chief Engineer and Vorobiev E.G, Deputy Chief Engineer for Health and Safety

LLC AVT Amur

Limited Liability Company AVT-Amur (“AVT-Amur” or “the company”) is committed to maintaining the safety at all its operating facilities. Implementation of health and safety measures is fundamental and mandatory while handling the industrial explosives and operating at hazardous facilities.

The objectives of the Health and safety policy are minimising the industrial risks and also to striving to eliminate any harm from our operational activities to employees, communities and environment.

One of the main goals of AVT-Amur is to become an industry leader in the field of industrial safety and occupational health , as well as to maintain a favourable environment while taking into account acceptable risks and recognising the priority of life and health of our employees.

AVT-Amur assures that industrial risks associated with occupational health, equipment and the environment are managed and mitigated by the company. Prevention of accidents and occupational diseases and reduction of the environmental impacts are our top priority while planning our operational activities.

Health and Safety policy **sets following general objectives** in order to achieve the level of industrial safety and occupational health in line with modern technologies, as well as to create and implement an effective system of the operational control of the compliance with the requirements for the industrial safety and occupational health at the company’s facilities:

- continuously improving industrial safety and occupational health and ensuring control over the compliance with these obligations
- mitigating the risks based on continuous identification, assessment and control;
- achieving consistent decrease in occupational injury rates, accidents and negative environmental impact;
- achieving the level of industrial safety and occupational health in line with the latest scientific, technological and social developments;
- improving industrial safety and occupational health indicators at AVT-Amur LLC facilities in line with the best performance of mining companies in the country by timely replacement and enhancement of the equipment’s reliability ensuring its safe and accident-free performance;
- creating and maintaining an effective health and safety management system that provides systematic and problem-solving approach to the industrial safety and occupational health,
- reducing the industrial risks from newly commissioned facilities by improving the quality of preparation of pre-project and project documentation and conducting examinations.

AVT-Amur LLC **assumes the following obligations** in order achieve the above objectives:

- To require all employees to fulfill their functional duties in accordance with applicable rules and regulations of industrial safety and occupational health;
- To take the full range of measures to eliminate industrial accidents and incidents, and if they occur, take measures to mitigate the consequences for the health of personnel, the environment and property;

- To assess industrial and environmental risks, develop and implement measures to reduce them and to compensate for losses caused by them;
- To ensure compliance with the requirements of federal, regional and local legislation, international agreements and corporate standards, regulating the activities of mining companies in the field of industrial safety and occupational health;
- To involve all personnel in active participation in workstreams related to industrial safety and occupational health, resource-saving activities, implementing incentives for the participation, centralised training and professional development in health and safety
- To require that contractors carrying out work at production facilities comply with health and safety standards and norms set by the company;
- To inform stakeholders on company's activities in relation to industrial safety, occupational health and environmental management;
- To revise, adjust and improve, as necessary, health and safety policy;
- To continuously improve the Industrial Health and Safety Management System.

AVT-Amur assumes the obligations to consult with employees of hazardous facilities and their representatives on issues related to industrial safety.

In order to maintain an efficient Industrial Health and Safety Management System, effective channels of information exchange are developed and implemented in order to ensure:

- access to the required information on industrial safety and occupational health from external organisations and related paperwork
- receipt and transfer of the information on the state of industrial safety and occupational health at hazardous facilities between different levels of management and department of the company;
- communication of information on industrial safety and occupational health to the external stakeholders.

The department of health and safety is established and documented the process for obtaining and transferring the necessary information related to industrial safety and occupational health has been developed and documented by Health and Safety Department and the induction procedure has been established.

The procedure for the transfer and exchange of information is aimed to ensure that each employee can receive or transfer all the necessary information on industrial safety and occupational health in a timely manner.

The company's employees should:

- be involved in the development and revision of policies and procedures aimed to reduce risk;
- be informed about all changes in procedures, technologies at the workplace related to the use of new hazardous substances and technical devices of hazardous facilities, which may affect the work efficiency related to the industrial safety and occupational health;
- take part in the development of programs for improving industrial safety and occupational health;
- to be informed about who represents their interests in relation to industrial safety and occupational health, and who is the administration's representative for these questions.

The heads of departments are responsible for communicating to employees (according to their functions) information on the goals and objectives related to industrial safety and occupational health, the results of achieving the targets, changes in regulatory documents or procedures, as well as other material information related to the industrial safety and occupational health.

The company's management provides personnel with the necessary and complete consultation on industrial safety and occupational health, ensures an objective consideration of proposals and complaints and timely and reasonable decision-making on them, defines the review process and files related documents.

Mechanisms used for various types of information exchange include:

- conferences of the company's employees;
- health and safety briefings held by Chief engineer;
- meetings on health and safety within the departments;
- meetings at individual sites and facilities;
- announcements, posters and other visual information;
- service notes and letters (appeals) of employees;
- newsletters, brochures;
- computer networks, telephone (helplines), telegraph, fax, e-mail for reports of health and safety violations at workplaces and suggestions for their elimination.

External communication with stakeholders is carried out in order to comply with principles of openness and availability of health and safety indicators stated at the policy.

The following procedures are defined and documented by the health and safety department:

- submission of documentation to the state authorities, local government and other organisations (type of document, timing and frequency of its representations, etc., taking into account the requirements of legislation and regulatory documents);
- management of proposals, complaints, statements received from public and the procedure for the submission of documentation to the members of local communities;

Providing information to the media, the public, related businesses and other stakeholders is carried out through:

- holding health and safety briefings;
- holding press conferences on operational results;
- providing information to various local media on a regular basis.

The responsibility for organising press conferences is assigned to the management (inviting press and ensuring audience), the health and safety department (inviting other participants and preparing the information materials on operational results for the reporting period). If necessary, minutes of the press conferences are drafted reflecting the decisions taken on the given questions. Health and Safety department is responsible execution of the decisions.

AVT-Amur understands its responsibility to the workforce, local communities for protecting the environment and creating safe work conditions. We are committed to maintaining an open dialogue with all stakeholders and improving our public image.

This Policy Statement will be reviewed periodically to comply with the changing environment within the company, new legislation and best practices. All the company's employees will be promptly informed about these changes.

Copies of the Policy Statement has been sent to guide action and inform the workforce to:

- General director;
- Chief engineer;
- Chief specialists;
- Heads of sections, workshops, services.

*Developed and signed by Usachev V.A., Head of Health and Safety Department
Approved by Mityushkin Y.A., General Director*