

Supplier code of conduct

28 May 2018

It is our vision for our entire supply chain to embrace and share our commitment to sustainable development.

1. Key principles and approach

This Supplier Code of Conduct ("Code") is implemented to ensure that all companies or individuals providing goods or services ("Suppliers") to Polymetal international plc Group of Companies ("Polymetal", "Group")¹ comply with the principles of this Code, as well as with other main principles of Polymetal's policies and procedures aimed to demonstrate our adherence to ethical standards, open and honest business, and sustainable development.

Throughout this Code "we" refers to all employees of Polymetal, including all personnel and managers of all levels.

Code principles are applied to all suppliers willing to have business relations with Polymetal, Group's employees particularly those having direct contacts with suppliers on Polymetal's behalf. For the purpose of realisation of the main principles set out by the Code in all countries of Polymetal's operation, Group's companies implement internal procedures which regulate relations with Suppliers in accordance with applicable laws and the Code.

We will work proactively with our suppliers to continuously improve and embed positive practices within the supply chain process

As our core values are based on integrity, we expect our employees and suppliers to be honest in all business processes.

We believe that a workplace should be safe and not affect health; we strive to conduct our business to maximize the value and minimize negative impacts on local communities. We expect the same from our suppliers.

This Code is based on our business principles and sustainability values. The Code was developed to help suppliers understand Polymetal's expectations in regard to sustainable development.

While this Code contains mandatory standards, it also has guidelines that are strongly encouraged for implementation, Polymetal is aware that its assistance might be required to help suppliers to enhance their capability to meet these standards. We see it as an evolving, interactive and collaborative process.

¹ Polymetal International plc and all of its subsidiaries

2. Health and Safety

Suppliers should strive to comply with best practice to ensure safety and health of their employees.

Suppliers are expected to:

- Have an appropriate H&S policy ensuring safety and health of their employees with target of zero harm and healthy and productive employees, or to fully comply with Polymetal health and safety standards;
- Strive to avoid fatalities, work-related injuries and health impairment of their employees;
- Comply with all applicable legislation and relevant guidelines when providing services and/or procurement to Polymetal.

Suppliers are strongly encouraged to collaborate with Polymetal to identify opportunities to improve safety and minimize health impacts.

3. Employment and labor standards

Suppliers should commit to fair labor practices and ensure their working conditions comply with all applicable laws and industry standards.

Suppliers are expected to:

- Prohibit use of child labor
- Prohibit use of forced, slave or prison labor
- Prohibit inhumane treatment of employees, including any form of physical, moral, sexual or verbal abuse, bullying or any other forms of intimidation
- Recognize and respect the right of employees for freedom of association
- Apply fair and appropriate terms of employment, including, but not limited to, working hours and remuneration;
- Investigate together with Polymetal cases, if there are any, of illicit drugs or explosives trafficking or group crime members employment;
- Eliminate all forms of discrimination and encourage staff diversity;
- Ensure that accommodation, where provided, is clean and safe and meets the basic needs of employees.

4. Business integrity and ethics

Suppliers should be accountable for conducting their business ethically and acting with integrity.

Suppliers are expected to:

- Comply with all applicable laws when having contractual relations with Polymetal. Suppliers should ensure that their operations, products and services provided to Polymetal comply with all national and other applicable laws, including those against anti-competitive practices.

- Oppose corruption. Corruption, bribery, fraud, commercial payoff, embezzlement and other illegal activities are prohibited. Suppliers should not give or take bribes, tolerate any form of money laundering or participate in other illegal business promotions.
- Commit to transparency and accountability in their business.
- Ensure security throughout all supply chain and comply with processes that promote the integrity of goods.
- Comply with Polymetal's Information security policy in case of getting an authorised access to the Polymetal's corporate network.
- Timely inform Polymetal about the financial, legal and other business difficulties that may cause failure of contractual agreements.
- Keep confidential information related to Polymetal's commercial activity, contracts, structure and financial performance except cases of authorized disclosure of such information.
- Use systems that ensure security of customer data and confidentiality.
- Respect intellectual property rights.
- Avoid use of any form of money laundering and ensure security of money transactions.

5. Corporate citizenship

Suppliers should be good corporate citizens within the communities where they operate.

Suppliers are expected to:

- Support the principles set forth in the Universal Declaration of Human Rights
- Respect human dignity and the rights of individuals and communities;
- Deliver economic, social and educational value to local communities;
- Consider impact on the local communities when recruiting, employing and accommodating the workforce;
- Recognize the cultural heritage and traditions of indigenous communities and resolve issues using respect, trust and dialogue.

6. Environmental management

Suppliers should strive to apply best practice in environmental and material stewardship.

Suppliers are expected to:

- Have an appropriate environmental policy or to comply with Polymetal's environmental standards;
- Comply with all applicable legislation and relevant guidelines when providing services and/or procurement to Polymetal;

- Collaborate with Polymetal to identify opportunities for improvement while paying particular attention to improve the following: energy consumption and greenhouse gas emissions; water use; hazardous materials use; waste management, air emissions and effluents.

7. Code implementation

Successful implementation should result in risk reduction for Polymetal and for the Supplier as well as intense sustainable development awareness and performance throughout the value chain.

When selecting Suppliers within an open competitive tender process, Polymetal will prefer, in accordance with defined evaluation criteria, those that demonstrate commitment to sustainable development.

Suppliers are encouraged to:

- Implement this Code within their organization;
- Ensure that this Code is applied downstream in their supply chain. Suppliers should ensure that their agents, contractors and suppliers are aware of this Code and its impact.
- Maintain effective management systems that are based on sound business and scientific principles, including target setting, regular performance assessment and continuous improvement

When engaging with suppliers, Polymetal will take into consideration the track record of the supplier.

We encourage suppliers to ensure that their business practices comply with the principles of this Code. No one will be negatively impacted for identifying violations of this Code by Polymetal management or for reporting any legal or ethical concern.

The Policy has to be considered together with the Group Code of Conduct, Anti-bribery and Corruption Policy, Policy on use of agents, representatives, intermediaries and contractors' due diligence and Whistleblower Policy and other applicable policies and procedures of Polymetal Group.

The abovementioned documents are available on Polymetal International plc website.

Approved by the Board of Directors of
Polymetal International Plc