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Translation from Bulgarian

DEAR CLIENTS, PARTNERS AND EMPLOYEES,

ELLATZITE-MED AD is a mining company engaged in open pit extraction and processing of copper porphyry gold-bearing ores. After its privatisation in 1999, the company consistently implemented the latest open-pit mining techniques and ore beneficiation technologies.

We are striving to be a benchmark for high corporate culture and a key factor for sustainable socioeconomic development of the municipalities where the Company operates.

A strategic objective for ELLATZITE-MED AD is to obtain maximum ore recovery from overburden removal and open-pit mining operations in Ellatzite deposit.

The company ensures sustainable and efficient production of low cost and high-quality end products, copper concentrate, reprocessed overburden materials. Furthermore, it provides storage and transportation of emulsion explosives and explosive mixtures and performs drill and blast operations in combination with healthy, safe, environmentally friendly and energy-efficient mining operations.

We, the Management team, perceive our corporate policy, mission, vision and strategic objective as our own personal cause and we dedicatedly work towards its full realization.

We confirm the essential importance of the law and guarantee its adherence by periodically evaluating compliance with the statutory requirements on protecting the environment, occupational health and safety, and energy management in line with the respective rules adopted by the organization.


We work to meet our customers' requirements and observe other corporate regulations concerning efficient energy use and related risks and aspects. We also strictly adhere to implementing the business processes, occupational health and safety procedures while protecting our company's legitimate rights and interests.

We manage to achieve this by careful assessment of opportunities and risks and take appropriate measures to utilize them in line with the growing needs of the business, ever-changing economic environment and sustainable use of resources. In all aspects of our activities, we act accordingly so as to protect human health, safety and the ecosystems by implementing environmentally friendly and energy-efficient methods.

We stand firmly and uncompromisingly against all forms of corruption, discrimination and unlawful acts.

It is not allowed to carry out political propaganda on the territory of the company.



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We unconditionally observe the requirements for safe and healthy working conditions, management of environmental aspects and continuous improvement of energy performance.

Apart from our current production of copper concentrate, we also reinvest and develop new lines of business in various economic sectors.

We cultivate awareness and responsibility in our specialists to be positive role models pursuing strictly our company policy, to radiate confidence to other staff members, motivate and inspire them.

We are striving to create value and add value to our work – for our shareholders, for our team and for the society.

Our basic norm of behaviour, thought and action is to complete our tasks in a timely, consistent and accurate manner, to achieve high quality and energy efficiency with due care and diligence of a prudent businessman considering both our personal health and the environment.

Our management decisions and practical actions are based on our long-term policy and goals.

We understand that the large-scale production process, continuous operation and specific conditions of open-pit mining require from all of us high organization and professionalism in our thoughts and actions, vigilance and readiness for an adequate response.


We apply a systematic approach to identifying problems through precise monitoring in the spheres of efficient energy consumption, environmental aspects, risk assessment and in-depth analysis of the facts and trends in all areas of our activities. As a result, we undertake corrective and preventive actions in a timely and effective manner.

We organize the rapid exchange of objective information and team interaction so that each problem can be identified on time and solved with the smallest possible losses. We strive to achieve consensus on the solutions, implement them quickly and provide feedback on the results. We discuss the challenges, problems and options for action with everyone who is interested and capable to add value. We immediately ask for information about anything we do not understand and do not know, we share it and ask our colleagues, managers and partners for help when we have doubts or find it difficult to solve problems.

We are focused on innovation and actively support any initiative for improvement by encouraging individual and collective contribution. We constantly educate and develop ourselves with the firm understanding that nothing is so good that it cannot be made better. We intentionally sophisticate processes, go into the matter in more detail through personal observation, verification of factual data and control over solutions. We accept criticism as an opportunity for improvement and encourage constructive feedback and suggestions for improving performance at work.

Our company pursues an “open door policy” to promote dialogue and direct contact.



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We define our own policy and strategy and subsequently transform them into plans and tasks which we carry out professionally along the path of continuous improvement.

In a long-term perspective, we strive to achieve dynamic, successful, energy-efficient and sustainable development with a focus on best practices, traditions, initiatives, innovation, environmental and energy management, occupational health and safety. We also strive to maintain our impeccable reputation and leadership positions in the mining sector in Bulgaria and abroad by adopting the latest technologies and management practices.

With the implementation and operation of our Integrated Management System in accordance with the international standards ISO 9001:2015 for quality management systems, ISO 14001:2015 for environment, ISO 50001:2018 for energy management, ISO 45001:2018 for occupational health and safety, we are seeking to avoid or reduce the costs generated from our previous mistakes.

This Policy is in line with the objectives and context and shall be regularly reviewed and updated.

Continuous improvement has been a permanent objective of the Integrated Management System.

We achieve it by doing the following:

- We conduct continuous monitoring and surveillance to ensure compliance of our products and services with the relevant standards and regulations.
- We strive to avoid, reduce or minimize the risks on business processes and the environment resulting from used raw materials, supplies, water, emissions, wastes and energy, as well as related losses.
- We make every effort to eliminate the dangers and reduce the risks to occupational health and safety.
- We focus on improving the effectiveness in terms of energy performance, quality, environment protection, occupational health and safety by taking appropriate and effective corrective and preventive measures.


OUR MOTTO IS: SUSTAINABLE DEVELOPMENT – A STANDARD FOR HIGH QUALITY OF LIFE

The Management team realizes and takes their responsibility as well as gives a personal example by contributing to the maintenance and improvement of the Integrated Quality, Occupational Health and Safety, Environmental and Energy Management System. It undertakes to inform and promote understanding and support of these requirements by staff throughout the organization and all interested parties concerned.

STRATEGIC OBJECTIVES OF OUR OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT POLICY

The Management team of ELLATZITE-MED AD accepts full responsibility for occupational health and



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safety as defined in the Occupational Health and Safety Act, statutory Bulgarian law and ISO 45001:2018 Occupational health and safety management systems standard.


The Management team has taken and takes measures to prevent injuries and diseases of people working under the supervision of ELLATZITE-MED in offices, manufacturing facilities or outdoor workplaces. To ensure the above, the Management team provides occupational health and safety management and prevents occupational health hazards such as injuries and diseases. For this purpose, it takes the following actions:

- Plans and ensures that information and resources are available to achieve the general and specific goals for occupational health and safety and monitors their implementation;
- Creating a positive health and safety culture of our employees as an essential prerequisite for healthy and safe lifestyle.
- Progressively strives to improve the occupational health and safety management system
- Integrates the requirements of the occupational health and safety management system into the business processes of the organization by applying a systematic approach to the following:
 - Identification and reviewing and other regulations and planning measures for their implementation.
 - Hazard and risk identification and, through them, undertaking subsequent control measures for eliminating hazards and reducing risk.
 - Boosting cooperation between the Management team and staff representatives in order to ensure safe and healthy working conditions.
 - Continuously improves the working conditions for all staff in order to ensure safe and healthy working conditions and protect the life and health of the employees.
 - Using high-quality safety clothing and certified personal protective equipment at the workplace. Providing effective prevention, high-quality medical care and the maximum coverage level of health and life insurance for all employees.
 - Performs continuous control of compliance with the requirements set out in the occupational health and safety management system, by staff and business partners on the territory of the company premises, in accordance with applicable occupational health and safety laws and regulations in Bulgaria.

STRATEGIC OBJECTIVES OF OUR ENVIRONMENTAL POLICY

The Management team of ELLATZITE-MED AD accepts full responsibility for strict compliance with the applicable legal and other environmental protection requirements and the international standard ISO 14001:2015.




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The Management team strives to achieve and maintain a high level of protection for the environment, but not less than the statutory standard, or pays priority attention to the impact of company's activities on the environment. This is done through **systematic identification of environmental aspects and process management of significant environmental impacts.**

To ensure the above, the Management team takes the following actions:

- We periodically assess the risks and opportunities relating to environmental aspects and take prompt action to prevent and reduce adverse impacts including the influence of external conditions and potential emergency situations.
- We plan and conduct effective and efficient corporate monitoring of the core components of the surrounding environment and the factors that influence them. We apply a prevention approach to environmental protection.
- We carry out environmentally sound management of waste materials generated from operational, maintenance and auxiliary activities.
- We perform tailings and mine waste management in accordance with the EU legislation on mine waste management.
- We carry out reclamation and rehabilitation of terrains that are affected by our mining operations.
- We exercise control and minimize the negative impact caused by mining operations, processes, used raw minerals and materials on the surrounding environment.
- We study the best practices and apply leading-edge technologies for mine wastewater treatment and reclamation of damaged terrains in order to achieve harmony and balance between mining operations and the environment.
- We ensure the efficiency of mining operations through effective, full value and comprehensive utilization of mineral resources, as well as reasonable and efficient consumption of other resources such as water, energy, raw materials and other goods.
- We make continuous attempts to develop high environmental culture, awareness of our employees' personal responsibility and commitment to environmental protection.
- We engage our business partners to observe the introduced high standards for environmental protection on the territory of the company.
- We prepare long-term strategies and plans, and we set objectives and tasks which are updated on a regular basis in compliance with the best Bulgarian and international practices.
- We communicate and cooperate with all interested parties regarding significant environmental aspects.



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STRATEGIC OBJECTIVES OF OUR ENERGY MANAGEMENT POLICY

The Management team of ELLATZITE-MED AD accepts full responsibility for strict observance of the applicable legal and other requirements related to energy management and the international standard ISO 50001:2018.


The Management team strives to achieve and maintain a high energy standard with a priority approach to sustainable energy development by undertaking the following actions:

- Preparation of long-term strategies and plans, setting goals and objectives which are periodically updated in accordance with the best Bulgarian and international practices.
- Planning and ensuring the availability of information and the necessary resources to achieve long-term strategies and plans and the general and specific energy goals and monitors their implementation.
- Planning, forecasting and implementation of energy monitoring and applying a subsequent approach for efficient energy consumption management.
- Implementation of the best experience and practices for improving energy efficiency by purchasing and deployment of energy-efficient products and services, systems, machines and equipment, which affect energy performance;
- Supports the design of activities aimed at improving energy performance.
- Planning and conducting energy efficiency audits and undertaking short-term and long-term measures and actions for improving energy performance, reducing energy consumption by implementing energy efficiency measures, use of energy-efficient energy sources and optimal organization of traffic flows.
- Ensuring energy sustainability by reducing specific energy consumption, decreasing the amount of imported fuels and energy, and increasing the security of energy supply.
- Commits itself to comply with applicable legal requirements and other regulations related to energy efficiency, energy use and energy consumption.
- Maintaining effective communication with all interested parties on important energy management aspects.

STRATEGIC OBJECTIVES OF OUR HUMAN CAPITAL AND COMMUNICATIONS POLICY ARE:

- Duly provision of the needed specialists in compliance with the company policies, goals and objectives and creating conditions for their adequate development, professional growth, commitment and satisfaction.
- Respect and professional development of our employees. People are our most important resource and our greatest treasure, our guarantee for our former and future success.



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- Open, honest and timely communication with all interested parties on the basis of mutual trust and respect.

- Providing effective information service for ongoing operations and programmes related to our company development.

STRATEGIC OBJECTIVES OF OUR POLICY ON EFFECTIVE PARTNERSHIPS ARE:

- Active participation in social and civil dialogue to undertake coherent actions for creating economic sustainability and social security.

- Enhancing mutual cooperation with municipalities and the implementation of corporate social responsibility programs.

- Active participation and facilitation of regional, national and sectoral business partnership and integration of mutual efforts to create a favorable business climate.

- Contributing to Bulgaria’s high reputation in the European and global mining communities through participation in various conferences and forums.

STRATEGIC OBJECTIVES OF OUR INDUSTRIAL AND INNOVATION POLICY ARE:

- Organizing highly efficient industrial and innovation activities focused on raising each employee’s productivity performance.

- Improving energy efficiency and reducing production costs below the market revenues from selling our products by ensuring high-quality work performance, products and services.

FINANCE AND ECONOMY:

- Effective financial, economic and information support of all the company’s activities and development programmes aimed at preserving the long-run viability of the company.

- Production, environmental, price and currency and occupational health risk insurance.

SALE AND DELIVERY OF OUR PRODUCTS:

- Delivery of the required quantity of our products in accordance with the agreed quality and deadlines at minimum logistic costs and best prices.

- Delivery of energy-efficient machines and equipment which will reduce energy consumption and improve energy performance at the best prices.

September 2022

