



APPROVED
by RusChemAlliance Order
No. РХА-П/83 dd 22.04.2024

REGULATIONS
Environmental Protection in RusChemAlliance LLC

П-47-2024
Revision 2

St. Petersburg

Introduction

1. DEVELOPED BY: Environmental Protection Department
2. IDENTIFICATION CODE AND REVISION NO. П-47-2024
Revision 2
3. BUSINESS PROCESS U-4 “Management of risks and opportunities, hazards, life threats and health risks to personnel and environmental aspects”
4. IN SUPERSESSION OF Regulations on Environmental Protection RusChemAlliance Limited Liability Company, approved by RusChemAlliance Board of Directors (MoM No. 2 dated 28.09.2018)

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1. Purpose and Scope

1.1. Regulations is the basis for planning and implementation of any types of activities, and determines the main goals, principles, approaches in environmental protection activities for the Company and S&A.¹

1.2. Regulations shall be applied by all the business units of the Company and Company's S&As once duly approved.

2. Regulatory references²

The Regulations references to:

2.1. The international, interstate and national standards in force:

2.1.1. ISO 14001 Environmental Management Systems. Requirements and Guidelines for Use.

2.1.2. IQNet SR10 Social Responsibility Management Systems. Requirements.

2.1.3. Russian National Standard GOST R ISO 14001-2016 - Environmental Management System. Requirements and Guidelines, approved and enacted by Rosstandart Order No. 285-CT dated 29.04.2016.

2.2. Current law, regulatory and legal acts and industry-related regulations of the Russian Federation:

2.2.1. Federal Law No. 7-FZ "On Environmental Protection" dated 10.01.2002.

3. Terms, definitions and acronyms

3.1. The following terms are used with the relevant definitions hereunder:

Stakeholder means individuals or and entity who can influence the Company activities performed or decision making, be exposed to its influence or consider themselves as such.

Natural environment component means earth, mineral resources, soils, surface water, ground water, atmospheric air, flora, fauna and other organisms, as well as the atmosphere ozone layer and near-Earth outer space, which together create favorable conditions for the existence of life on Earth.

Environment means the set of environment components, natural and man-modified natural features, as well as man-made features.

Environmental Protection means the activities of the Russian Federation state authorities, Russian Federation constituents state authorities, local government bodies, public associations and non-profit enterprises, legal entities and natural persons, aimed at preservation and recovery of natural habitat, rational use and restoration of natural resources, prevention of economic or other activity negative impact on environment and elimination of its consequences.

Environmental risk means probability of an occurrence, having adverse impact on environment caused by economic or other activities, natural or man-caused emergencies.

3.2. The following abbreviations are used in the Regulations:

S&A means subsidiaries and affiliates of the Company.

Company means RusChemAlliance LLC.

¹ Terms, definitions and acronyms are given in section 3.

² It is required to check the reference documents validity, if internal regulatory documents is applied. In case if a reference document is superseded (amended), then a new (amended) internal regulatory document shall be applied while using the Regulations. If a reference document is cancelled without being superseded, the internal regulatory document shall be applied to the extent not affected by this reference.

Regulations means Regulations on Environmental Protection in RusChemAlliance LLC.

Project – means the Gas Processing Complex within Ust-Luga Ethane-Rich Gas Processing Cluster.

4. General

4.1. The Regulations is based on the experience of the world best practices, developed considering the requirements of the international financial institutions standards, Russian Law and national standards.

4.2. Environmental protection activities are systematic for the Company and shall cover all the business units and employees while doing their duties and responsibilities under any Company's business processes.

4.3. The Company shall make Stakeholders aware of the Regulations and interact with them considering the requirements via posting the Regulations on the Company's official website on the internet.

4.4. Whenever required to update the Company development strategies, organization and functional chart and/or Company business practices according to the Russian Law and in compliance with the documents which determine functioning of the Company management bodies, new revisions of the Regulations shall be approved.

5. Company's goals in environmental protection

5.1. Environmental care is the integral part of the Company's corporate culture and ensures its sustainable development. The Company undertakes the obligations to prevent from negative impact and takes all the required actions to ensure Environmental protection, preserve natural resources, including continuous improvement of its products, processes, work conditions for the Company employees, taking Stakeholders interests into account. The Company, being fully aware that the industrial activity carried out connected with processing and transportation of hydrocarbons is the source of potential hazard to Environment, personnel and population living the industrial facilities impact zone, sets for itself the following goals in Environmental protection:

5.1.1. Reduce and prevent from negative impact on Environment by industrial and other activities, minimize the risks and prevent from threat of accidents, where achievable considering the current development level and the Company capabilities.

5.1.2. Comply with the requirements of Environmental protection Law, meet the applicable international standards and best industry practices in this discipline.

5.1.3. Ensure the Company's environmental and social advisor's recommendations are met.

5.1.4. Develop and incorporate the Environmental management system in the Company, S&As and contractors, involved in the Project implementation.

5.1.5. Follow the principles of sustainable development, maintain the combination of economic growth and preservation of favorable Environment in the region, where the Company, S&As and contractors involved in the Project operate.

5.1.6. Develop and annually implement the environmental programs and environmental protection projects that are socially significant for operations region, aimed at forming and fostering environmental culture, careful and accountable attitude towards Environment, rational use of natural resources, spread the environmental protection

knowledge, information about the Environment condition, preserve natural environmental systems, natural landscapes and natural complexes.

5.1.7. Rationally use natural resources and energy, enhance processes energy efficiency, take action to reduce green-house gases emissions, take all the possible actions to maintain the climate, biodiversity, fully compensate for environmental damage.

5.1.8. Continuously improve and enhance its activities (management system) in Environmental protection based on the results of control, monitoring, regular audits and periodic efficiency analysis.

5.2. To achieve the Goals, set forth in para. 5.1 of the Regulations, the Company intends to:

5.2.1. Assess environmental and social impact, prior to any works connected with negative impact on Environment and population, informing the public and Stakeholders about its results via any legitimate way on the Company's choice, including:

- Mass media;
- Public hearings and meetings;
- Public reception offices;
- via posting the information on the Company intranet and the Company official website on the Internet.

5.2.2. Identify environmental aspects (including the significant environmental aspects) of the industrial activity based on the analysis of the documented results, develop the target programs and environmental protection plans with the sufficient financing, aimed at:

- reducing pollutants emission in the air;
- reducing wastes generation;
- rational use and protection of water bodies;
- biodiversity conservation.

5.3. Incorporate and ensure the implementation of the construction and operation management plans in order to determine the actions and activities, required for management of risks & impacts on Environment during the Project implementation.

5.4. Implement the new and upgrade the existing process equipment and technologies, apply the best available technologies at different stages of the industrial activities, including technologies/materials and equipment procurement, considering the Environmental protection requirements.

5.5. Consider the risks and assess the impact of climatic changes for the Company's activities, regularly carry out environmental monitoring, develop green-house gas emission reporting system, use innovative technologies to reduce green-house gases emission.

5.6. Support the scientific researches and implementation of innovative projects, aimed at increasing energy efficiency, using renewable energy sources.

5.7. Increase knowledge and responsibility of personnel in Environmental protection related issues, annually form and incorporate the training and professional development program for personnel followed by assessment of the knowledge acquired.

5.8. Identify, support and replicate the positive experience of leaders in Environmental Protection among contractors, including through making annual competitions.

5.9. Ensure, the work of the Company's S&A and contractors involved in the Project implementation, is compliant with the Regulations objectives.

5.10. Develop programs on implementation of modern waste-free and low-waste technologies, annually analyze and update them to achieve the goals.

5.11. Periodically conduct an internal audit for compliance with the Regulations objectives set out in order to ensure and convince the Stakeholders of the existence of an environmental protection management process.

5.12. Ensure wide availability of information related to the Company's Environmental Protection activities to the communities and Stakeholders, including by posting an environmental report on the Company's Intranet and on the Company's official website on the Internet annually until April 15 of the year following the reporting year.

5.13. Implement, monitor and prepare reports on the implementation of plans, policies and procedures developed by the Company's environmental and social consultant, including, but not limited to:

- Environmental and Social Action Plan;
- Stakeholder Engagement Plan;
- Local community development plan, procedures to facilitate the recruitment of local residents, procedures to engage local suppliers of goods and services;
- Camp management plan;
- Manpower demobilization plan, etc.

6. Environmental Protection Principles

The Company's environmental protection activities are based on the following principles:

- compliance with law requirements and other requirements applicable to the Company's activities in Environmental Protection, including the international law;
- preservation of favorable Environment and biological diversity;
- balancing the Company's interests during use of natural resources;
- zero tolerance to Environmental risks;
- focus on innovations while implementing environmental technologies;
- priority of preventive actions over actions aimed at localizing and eliminating the consequences of hazardous occurrences;
- openness and reliability of the Company's Environmental Protection reporting;
- continuity and consistency in achieving environmental protection goals and objectives.

7. Stakeholders

7.1. While implementing the Regulations, the Company considers stakeholders to be participants and potential investors, managers and employees of the Company, contractors involved in the Project implementation, and S&A that ensure compliance with the Regulations' requirements under the guidance of the Company's Environmental Protection Department employees.

7.2. The Company is interested in developing long-term cooperation with the residents of the Company's operations region, based on the principles of respect, trust and cooperation.

7.3. Creating an effective environmental safety management system has an impact on corporate culture, economic efficiency and capitalization of the Company, and relations with counterparties.