

**APPROVED**

by Resolution of the Board of Directors  
of JSC INK-Capital  
Minutes No. 134 dated December 26, 2023

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**BIODIVERSITY CONSERVATION POLICY  
OF JSC INK-CAPITAL**

**Revision 1**

Irkutsk

2023

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## **I. GENERAL PROVISIONS**

- 1.1. “The Biodiversity Conservation Policy” (hereinafter – the Policy) is a document that defines the Group’s focus areas and commitments in the field of biodiversity conservation.

Biological diversity (biodiversity) means the variety of life in all its forms encompassing all of the biological species and the entirety of natural ecosystems made up of these species.

- 1.2. The Group is aware that biodiversity loss and degradation of the attendant ecosystem services caused by human impact is a global problem that needs decisions to be made on all management levels, with a special priority given to preservation of protected areas and the World Natural Heritage.
- 1.3. The Group is one of Russia's largest independent producers of hydrocarbons and their refined products. The Group is engaged in geological study, exploration and development of oil and gas fields in the Irkutsk Region, the Republic of Sakha (Yakutia) and the Krasnoyarsk Region, where it carries out production, processing, and transportation of hydrocarbons. Rational use of natural resources is an integral principle of the Group in all its activities. In line with the idea of responsible production and consumption of resources, the Group has been gradually diversifying its activities, creating, and developing new areas of production, including in gas processing, gas chemistry, inorganic chemistry, helium production, thereby reducing the Group's impact on climate and adapting to future changes.
- 1.4. The Group’s Mission Statement: We live in this region and work to ensure that the use of Eastern Siberia’s mineral resources secures a decent present and a sustainable future for the region and its people. We cherish the life and health of our people, and we care about the unique nature of our land.
- 1.5. The Group assesses the risks associated with the impact of its activity on biodiversity caused by operations and other impacts.
- 1.6. In all of its activities, the Group seeks guidance in national and international instruments ratified and (or) applied in the Russian Federation setting out requirements for biodiversity conservation, the Register of which is maintained and updated as part of the Integrated Management System.
- 1.7. The Policy is a fundamental high-level document of the Group's Integrated Management System and was developed as part of implementation of the Concept of Sustainable Development and ESG (Environmental, Social, Governance) factors.
- 1.8. The Policy is taken into account in setting the Group’s Environmental Goals and Environmental Objectives and is the foundation for planning and implementation of any type of the Group’s activities applicable throughout the life cycle of its business units.

## **II. TERMS AND DEFINITIONS**

- 2.1. The terms and definitions used in the Policy are specified in the Sustainable Development, ESG and Integrated Management System Glossary (Appendix 1 to the Sustainable Development and ESG Policy).

### **III.SCOPE OF APPLICATION**

- 3.1. The Policy applies all companies - members of the Group, as well as Counterparties, which affect the fulfillment of the Assumed Commitments in the field of biodiversity conservation.

### **IV.FOCUS AREAS**

- 4.1. The Groups has a systemic approach to environmental management in general to succeed in the long term and create opportunities to contribute to sustainable development, including biodiversity conservation.
- 4.2. Biodiversity conservation efforts are aimed at prevention of net biodiversity loss in conducting the operations on a local, regional, national or cross-border scale.
- 4.3. The main focus areas of the Group’s environmental management system in the field of biodiversity conservation include the following:
  - minimizing the impact of the Group’s activity on biodiversity in the areas where it operates; reducing landscape fragmentation and the disturbed lands area; preserving natural migration routes and habitats of animal species; protection of endangered animal and plant species;
  - oversight of conservation measures enforcement on the Group’s sites, including prohibition of hunt, fishing and pet keeping, compliance with waste storage and disposal requirements, environmental characteristics of vehicles and other means of production;
  - development and implementation of programs and measures to conserve biodiversity in the areas where the Group operates.
- 4.4. In planning of the environmental management system actions, the Group ensures compliance with the legal requirements in effect in the Russian Federation, including, but not limited to, those of the Law of the Russian Federation “On subsoil” and the Model List of Measures to Protect Animal and Plant Species and their Habitat Binding on Subsoil Users approved by the Ministry of Natural Resources and Environment of the Russian Federation. The Group may also consider requirements of international laws and the best global practices.

### **V. GROUP’S COMMITMENTS**

- 5.1. In order to implement the Policy, the Group is committed to the following:
  - To determine potential impact on biodiversity and take mitigating action.
  - To take prevention of natural ecosystems loss as the highest priority, to minimize the area of lands used to accommodate the Group’s facilities, to rehabilitate disturbed lands and conduct reforestation.
  - To contribute to the biodiversity studies in the areas where the Group operates.
  - To take action to conserve endemic, rare, and endangered plant and animal species and to prevent degradation of their habitat while also avoiding the introduction of invasive animal and plant species.
  - To take action to restore the affected biodiversity to the original state in the same location where the impact occurred, if possible, using local species, including for reforestation, in accordance with the approved plans.
  - To prevent accidents and incidents on the Group’s operation sites, to ensure preparedness for accidents and emergencies so as to prevent or minimize the effects on biodiversity.

- In identifying material risks to biodiversity, the Group sets target performance indicators in the field of biodiversity conservation and develops Programs incorporating the mitigation measures hierarchy providing for avoidance, minimization, remediation and offsetting of the impacts on biodiversity. The Programs provide for all the applicable measures including those aimed at the study of impacts on biodiversity, environmental monitoring of the existing impacts, maintaining or improving biodiversity status using compensation measures developed in cooperation with academia and the professional community as well as the Stakeholders.
- To disclose the Group’s environmental performance, including in terms of biodiversity conservation.
- To develop the competence, knowledge, and responsibility of the Management and Employees in the field of environmental protection, including biodiversity conservation.
- To support the implementation of the Policy with information and all requisite financial and technical resources in accordance with the approved internal acts and regulation documents of the Group, including, but not limited to, with the long-term (mid-term) development plans and (or) yearly business plans (budgets).

## **VI. IMPLEMENTATION**

- 6.1. The Group guarantees that all internal acts and regulation documents comply with the provisions of the Policy.
- 6.2. The Policy is communicated to Stakeholders through internal and external communication mechanisms established and used in the Group.

The Policy in Russian and English is available on the Group’s web-site ([www.irkutskoil.ru](http://www.irkutskoil.ru) – the Russian version, [www.irkutskoil.com](http://www.irkutskoil.com) – the English version).

The Policy is implemented in an open equitable dialog with all Stakeholders.

- 6.3. All Employees and Management shall comply with the Policy and refrain from any action prohibited by the Policy or otherwise creating a risk of violation of the Policy, to the extent stated in the Policy.

The Group makes its best efforts to ensure compliance with this Policy by its Counterparties and encourages its Counterparties to do the same.

- 6.4. Reporting violations of the Policy.
  - 6.4.1 The means of reporting cases of nonconformity to the Policy are described in the Code of Ethics, and related information is available on the Group’s web-site [www.irkutskoil.ru/trust-line/](http://www.irkutskoil.ru/trust-line/).
  - 6.4.2 The Group confirms that any individual seeking advice, raising concerns over a potential problem or actual nonconformity to the Policy, acts in accordance with the Code of Ethics. The Group will not allow any reprisals in respect of that individual and finds unacceptable any retaliation towards that individual on the part of other individuals for having reported a potential problem or actual nonconformity to the Policy in good faith.

6.5. If violations of the Policy, or the regulatory acts of the Russian Federation, internal acts and regulation documents and (or) administrative documents of the Group are confirmed, all necessary and sufficient measures are taken for:

- eliminating the consequences of such violations;
- preventing the recurrence of similar situations in the future.

Moreover, if necessary, guilty persons shall be held liable in accordance with the applicable laws of the Russian Federation and/or the Group's internal acts and regulation documents of the Group.

## **VII. FINAL PROVISIONS**

7.1. This Policy becomes effective upon its approval by the Board of Directors.

7.2. Additions and amendments to the Policy are approved by the Board of Directors.

7.3. The Group will improve this Policy taking into account new standards related to biodiversity conservation in the Russian and international practices, interests of the shareholders, the Group and other Stakeholders, and amendments of the laws of the Russian Federation.

7.4. If, as a result of any changes in the laws of the Russian Federation, the Company Charter, or on other grounds, some clauses of the Policy shall become invalid and be deemed unenforceable or void, such clauses are not to be applied. Until the relevant amendments are introduced into the Policy, the Group and Stakeholders shall act in accordance with applicable laws of the Russian Federation, the Company Charter, and the Policy provisions to the extent not conflicting with them.