

# CONTRACTORS ENVIRONMENTAL MANAGEMENT PLAN

## Purpose

The current Contractors Environmental Management Plan (CEMP) is addressed to englobe the activities carried out by contractors (i.e. contractors, sub-contractors, consultants and suppliers) to comply with Adriatic Metals' Environmental and Social Management Plan (ESMP), which comprises of corporate policies, the ESIA, and environmental and social management plans and action plans.

## Application

This Management Plan applies to all **Adriatic Metals Contractors** and their activities fallen under control Adriatic Metals.

## Owner

Head of Sustainability

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This document has been developed/revised as indicated below and described in the revision record on the following page. Please destroy all previous revisions.

Revision	Date	Authors	Reviewed	Pages
1.0	06.10.2021.	Kate Harcourt Lejla Karcic Vildana Mahmutovic	Vildana Mahmutovic	16
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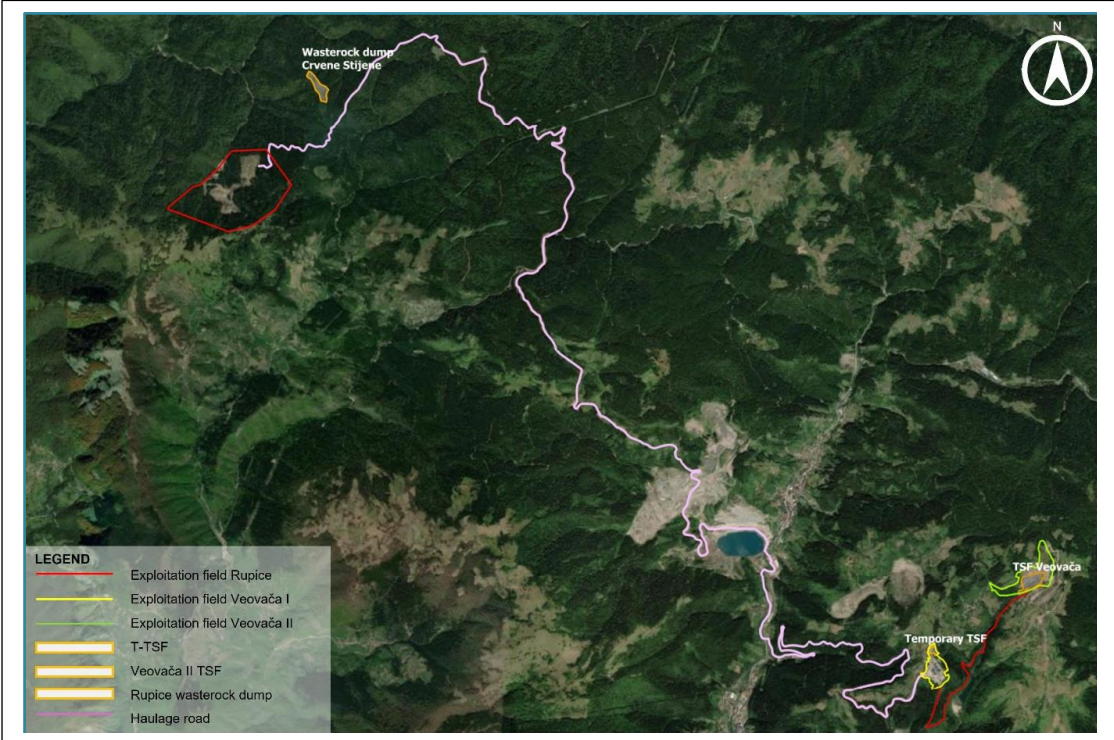
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## 1. Introduction

The Vareš Project broadly consists of underground polymetallic mining at Rupice, the haulage of ore via a purpose-built haul route 28.8 km to the Vareš Processing Plant, processing of ore and the partial movement of tailings back to Rupice for paste backfill. Waste rock will be stockpiled at Rupice, before being used as part of backfill. Tailings not used in backfill will be stored in a dry stack facility, designed to meet the capacity requirements across the life of mine, located in a valley north of the processing plant (T-TSF) and Veovača II (VV-II-TSF). The final lead-silver and zinc concentrates will be transported to a rail loadout facility in Vareš and then onwards for further refinement and sale. The Project layout is shown in Figure 1.

**Figure 1 - Map showing the location of the Vares Project**



Following a construction period for both the Rupice mine and VPP plant, the Vares Project transitioned from design and construction to start-up, commissioning and production stages in 2024.

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## 1.1 Purpose and Scope

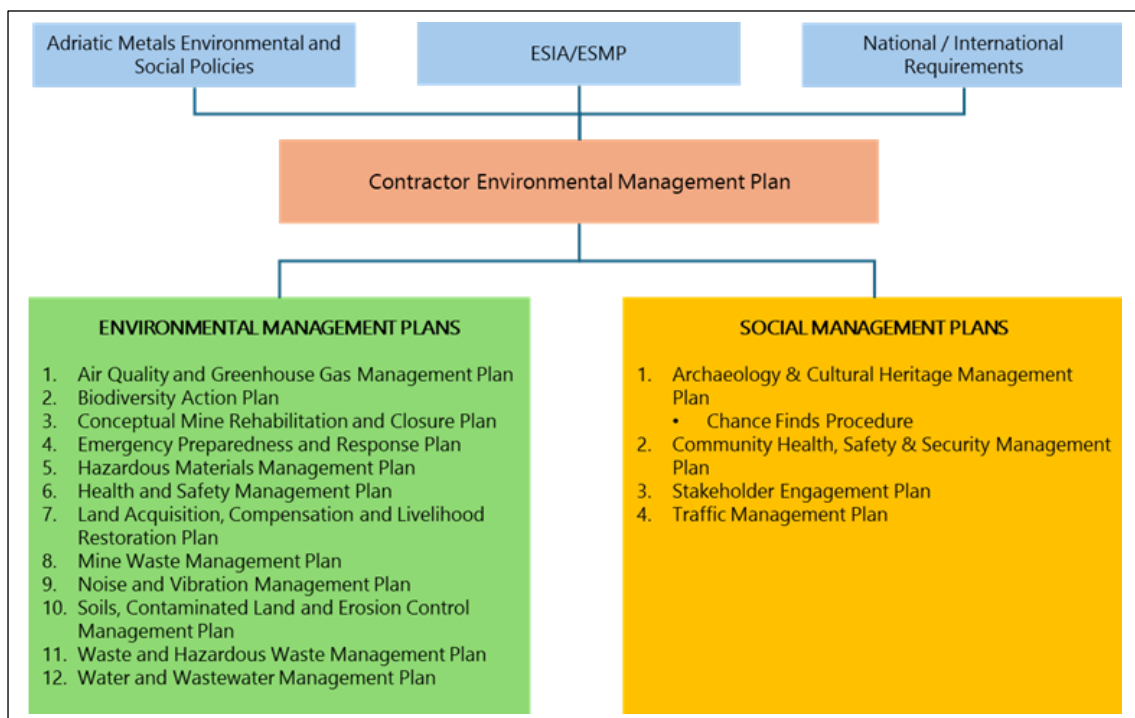
Adriatic Metals is committed to managing its activities so as to minimise adverse workforce, community or environmental impacts.

The company conducts its business responsibly, values strong relationships with local authorities and communities and strives for its activities to respect the dignity and uplift the life chances of local people and to create a positive legacy.

The current update version of the Contractor Environmental Management Plan (CEMP) is addressed to englobe the activities carried out by contractors (i.e. contractors, sub-contractors, consultants and suppliers) to comply with Adriatic Metals' Environmental and Social Management Plan (ESMP), which comprises of corporate policies, the ESIA, and environmental and social management plans and action plans.

The governance framework for the CEMP is shown in Figure 2 below.

**Figure 2 - CEMP framework**



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The CEMP will be applicable to all activities undertaken by contractors whose services are provided to Adriatic Metals. Copies of the policies, management plans and applicable procedures will be made available to Contractors for endorsement and duly appended to contractual documents.

The Plan should be reviewed annually and/or in response to any changes in site specific conditions, plans, procedures, permits, or incidents.

## 2. Legal Framework and Standards

### 2.1 National Legislation

- Environmental Protection Law ("Official Gazette of the Federation of BiH", No. 15/21)
- Law on Environmental Protection of Zenica - Dobož Canton ("Official Gazette of the FBiH", no. 1/00)
- Law on Protection Against Noise ("Official Gazette of Federation BiH" No. 110/12)
- Law on Protection Against Noise ("Official Gazette of Zenica-Dobož Canton" No. 01/14)
- Law on Waste Management ("Official Gazette of the Federation of BiH", No. 33/03, 72/09 and 92/17)
- Law on Chemicals ("Official Gazette of the Federation of BiH", No. 77/20)
- Law on Roads of the FBiH ("Official Gazette of FBiH", No. 12/2010, 16/2010 - corrigendum and 66/2013")
- Rules on Special Conditions for Transported Motor Vehicles ("Official Gazette of the Federation of BiH", no. 07/07")
- Law on Road Transport of the Federation of Bosnia and Herzegovina ("Official Gazette of FBiH, No. 28/06)
- Rules on traffic signs and signalling on roads, manner marking of works and obstacles on the road and signs that participants in traffic is given by an authorized person ("Official Gazette of FBiH", No. 12/2010, 16/2010 - corrigendum and 66/2013")
- Law on Occupational Safety ("Official Gazette of FBiH", No. 79/2020")
- Law on the Transport of Dangerous Goods ("Official Gazette of SFRY", No. 27/90 and 45/90")

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- Mining law ("Official Gazette of the Federation of BiH", No. 26/10)
- Fire Protection and Firefighting Law ("Official Gazette of the Federation of BiH", No. 64/09)
- Law on Healthcare ("Official Gazette of the FBiH", no. 46/10 and 75/13)
- Law on Protection of the Population from Infectious Diseases ("Official Gazette of the FBiH", no. 29/05)
- Law on Radiation and Nuclear Safety in Bosnia and Herzegovina ("Official Gazette of BiH", no. 88/07)
- Law on the Environmental Protection Fund of the Federation of BiH ("Official Gazette of the FBiH", no. 33/03)
- Law on Air Protection ("Official Gazette of the Federation of BiH", No. 33/03 and 4/10)
- Law on Nature Protection ("Official Gazette of the Federation of BiH", No. 66/13)
- Law on Water ("Official Gazette of the Federation of BiH", No. 70/06)
- Law on Water ("Official Gazette of the ZDK", No. 17/07)
- Law on Geological Exploration ("Official Gazette of the Federation of BiH", No. 09/10 and 14/10)
- Contractual law of FBiH ("Official Gazette of the SFRY", No. 29/1978, 39/1985, 45/1989 - decision of the USJ and 57/1989, "Official Gazette of RBiH", No. 2/1992, 13/1993 and 13/1994 and "Official Gazette of FBiH", No. 29/2003 and 42/2011)
- Company Law of FBiH ("Official Gazette of the Federation of BiH", No. 81/15)
- Law on Health Insurance ("Official Gazette of the Federation of BiH", No. 30/97, 7/02, 70/08, 48/11 and 36/18)
- Law on Health Insurance ("Official Gazette of the Zenicko-Dobojski canton No. 46/10 and 75/13)
- Law on Pension and Disability Insurance ("Official Gazette of the Federation of BiH", No. 13/18)
- Other related sub laws, rulebooks and procedures, including all applicable internal procedures, policies and rulebooks.

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## 2.2 International Requirements

- European Bank for Reconstruction and Development (EBRD)
  - Performance Requirement 1: Assessment and Management of Environmental and Social Risks and Impacts
  - Performance Requirement 3: Resource Efficiency and Pollution Prevention and Control
  - Performance Requirement 4: Health, Safety and Security
- World Bank - International Finance Corporation (WB-IFC)
  - Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
  - Performance Standard 3: Resource Efficiency and Pollution Prevention
  - Performance Standard 4: Community Health, Safety, and Security
  - Environmental, Health and Safety Guidelines for Mining
- Best Practices
  - ICMM Principle 1: Ethical Business
  - ICMM Principle 3: Human Rights
  - ICMM Principle 4: Risk Management
  - ICMM Principle 5: Health and Safety
  - ICMM Principle 6: Environmental Performance
  - ICMM Principle 7: Conservation of Biodiversity
  - ICMM Principle 8: Responsible Production
  - ICMM Principle 9: Social Performance
  - ICMM Principle 10: Stakeholder Engagement
  - ICMM Global Industry Standard on Tailings Management

Updates or changes in legal requirements will be tracked and monitored tracked by Adriatic Metals and informed to contractors accordingly. In addition, it is responsibility of the contractor to monitor any changes in legal requirements applicable to their scope of work and to adapt their management controls as necessary.

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## 3. Roles and Responsibilities

Principal roles and responsibilities for the implementation of this plan are outlined in Table 2 below.

**Table 1 - Adriatic roles and responsibilities for CEMP**

Roles	Responsibilities
Operations GM	<ul style="list-style-type: none"> <li>Ensure production units are adhered to and implement the CEMP for their respective areas and disciplines of action</li> </ul>
Procurement Department	<ul style="list-style-type: none"> <li>Incorporation of CEMP requirements into the Terms of Reference and bidding processes</li> <li>Request for validation of CEMP performance indicators</li> </ul>
Legal and administration department	<ul style="list-style-type: none"> <li>Due diligence of the CEMP appraisal for qualification of contractors including sub-contractors and suppliers.</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>Supervision of H&amp;S obligations and performance</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Supervision of E&amp;S obligations and performance</li> <li>Conduct performance review of Contractors against SEG requirements</li> </ul>
<ul style="list-style-type: none"> <li>Head of Mining</li> <li>Head of Process</li> <li>Projects/Construction Manager</li> </ul>	<ul style="list-style-type: none"> <li>Incorporation of the CEMP requirements for Terms of Reference</li> </ul>

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## 4. CEMP Implementation

All works to be undertaken by contractors respond to a defined design, planning and permitting stage accomplished by Adriatic Metals.

To align these works with the ESIA-ESMP guidelines, series of milestones need to be completed with the interaction of units and departments described in Section 3 above.

### 4.1 Bidding and Contracts

Terms of Reference will include the CEMP requirements as compulsory for bidders. ESG compliance and performance is a positive remark for contract awards and is based on the Environmental & Social KPI Matrix.

Bidders are requested to endorse Adriatic’s environmental and social guidelines set in the ESMP framework (Figure 2.).

Contractors will be responsible for ensuring that sub- contractors also carry out their activities in line with the same policy and project commitments.

### 4.2 Training

Sustainable development is positively enriched by capacity building at local level and Adriatic’s outlook contribution is to share and spread the best practices where it operates.

All training of Adriatic employees on sustainability affairs needs to be incorporated or replicated at the level of contractors. As a minimum, this includes:

- Health and Safety Induction
- Environmental and Social awareness

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## 4.3 Performance review

Adriatic conducts regular walkthroughs and inspections to assure not only the technical compliance but also the social and environmental performance to guarantee the mitigation of impacts on the environment or communities.

Based on the inspections, performance indicators are reported for improvement and compliance verification. Housekeeping standard is a primary objective, sustaining emergency response and proper implementation of the protection measures. Records are maintained and uploaded into the system for ESG auditing, reporting and improvement. Details of these deliverables are listed as follows:

- Procedure for Environmental Events
- Procedure for Spill Kits
- Environmental Site Contractors Checklist

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## Appendix A – Procedure for Environmental Events

## Appendix B - Procedure for Spill Kits

## Appendix C - Environmental Site Contractors Checklist

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## Appendix D – Glossary

Term	Definition
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ESG</b>	Environmental, Social and Governance
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ESMS</b>	Environmental and Social Management System
<b>ESMP</b>	Environmental and Social Management Plans
<b>GISTM</b>	Global Industry Standard for Tailings Management
<b>IFC</b>	International Finance Corporation
<b>KPI</b>	Key Performance Indicator
<b>T-TSF</b>	Temporary Tailings Storage Facility
<b>VVII-TSF</b>	Veovaca II Tailings Storage Facility

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