



OAO SOLIKAMSK MAGNESIUM WORKS ENVIRONMENTAL POLICY

Being the oldest operating primary magnesium facility world-wide, producing pure and alloy magnesium, titanium sponge, compounds of rare and rare earths elements, and chemical products, we recognized that our goal is gradual reduction of negative impact of our Company's operations on the environment.

The following principles are used and obligations are assumed by us to achieve this goal:

1. Priority of environmental aspects

- Set up priorities and environmental goals and objectives through the prism of importance of environmental impact;
- Meet statutory and voluntary environmental requirements and obligations.

2. Preventive approach

- Apply the best technical practices to avoid pollution and preserve natural resources;
- Perform management of environmental aspects;
- Recognize and eliminate sources of negative impact of the Company's operations on environment.

3. Transparency and interaction

- Disclose to interested parties environmental plans and parameters of operations of the Company;
- Set up environmental requirements for suppliers and support suppliers to meet these requirements.

4. Formation of environmental consciousness

- Teach and train employees, including external contract employees, with applicable environmental requirements including consequences to environment in the case of its violation.

5. Monitoring and evaluation of environmental parameters

- Monitor and regularly evaluate environmental parameters of operations of the Company on compliance with statutory and voluntary environmental requirements and obligations.

6. Permanent improvements

- Perform efforts for gradual improvement of environmental parameters of operations elsewhere where possible and economically viable for the Company.

Our objectives are to implement these principles to meet ISO 14001 Environmental Management System requirements.

General Director

Dmitriy L. Melnikov

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