



OUR NATURAL CAPITAL

2024 MANAGEMENT APPROACH REPORT

OUR NATURAL CAPITAL

At DPM our policies, standards and overall approach around environmental matter cover the entire mining lifecycle from exploration and planning to production and closure with the aim to reduce our environmental impact and enhance value for our stakeholders.

STRATEGIC ENVIRONMENTAL MANAGEMENT SYSTEM

At DPM, we have embedded sustainability into our business model, influencing all aspects of our operations. We are committed to complying with environmental laws and regulations, and we employ site-specific procedures that align with international standards to maintain adherence to all applicable legal requirements.

Furthermore, we allocate financial and non-financial resources to ensure good governance, sustainability, and innovation. Our asset portfolio and growth opportunities are optimized through environmental due diligence, which includes an assessment of new mining projects and mergers and acquisitions. We conduct comprehensive assessments to ensure alignment with our environmental objectives.

To raise awareness among internal and external stakeholders, we have integrated environmental considerations into our Corporate Responsibility Policy, applying beyond our own operations to also include third parties, and engage in extensive external reporting on specific indicators. In the process of developing our Corporate Responsibility Policy, we incorporated the feedback we received from external stakeholders, which helped to inform the development and implementation of the policy. As part of this process, we also established clear lines of accountability for policy implementation. Additionally, we provide training on the policy to ensure employees understand DPM's environmental impacts and apply the policy principles and the associated standards to guide implementation, monitoring and continuous improvement.

To review our annual performance for each of our material environmental issues, please refer to the latest Sustainability Report and Data Supplement accompanying information.

GOVERNANCE STRUCTURES AND ACCOUNTABILITIES

Key management responsibilities

Key roles and responsibilities related to environmental matters include:

- **Board of Directors:** Provides oversight of the Company's overall sustainable development activities through the Sustainability Committee. This includes receiving quarterly updates on the Company's climate strategy including risks and opportunities and progress against our greenhouse gas (GHG) emissions reduction targets; management of water; biodiversity and habitat conservation initiatives; and waste management, with respect to the progress and monitoring of tailings management gap closure plans and any audit findings.
- **Executive management:** At the Executive level, the Senior Vice President (SVP), Sustainable Business

Development reports directly to the President and CEO and is responsible for health and safety and sustainability including both social and environmental impacts, including our climate strategy, oversight of DPM's water management; responsibility over DPM's biodiversity plans; waste management strategy; and tailings management plans.

Our Balanced Score Card - pay for performance

An important element of DPM's internal management system is performance monitoring and measurement through the Balanced Score Card (BSC) methodology, incorporating environmental and social performance into the overall employee and executive compensation structure. Each operating site develops their own BSC which helps to direct resources to improve performance in specific topics (e.g., water, waste, biodiversity, tailings, climate) and ultimately influences compensation for their respective entity. Once a year the Board approves the BSC reflecting the annual corporate goals which in turn support the achievement of our strategic objectives.

The ESG component of the BSC has consistently included climate-related performance over the last several years since the announcement of our GHG emissions reduction targets. Until recently, reducing freshwater consumption was also part of our corporate-wide BSC. Due to strong performance at our mine sites, this metric was removed. However, we continue to prioritize high standards of water management.



Outside Chelopech Office in Bulgaria

CLIMATE CHANGE

BACKGROUND

DPM is committed to supporting climate action, both by working to reduce our own climate impacts and supporting in the adaptation to climate change. Our Company's purpose of unlocking resources and generating value to thrive and grow together embodies DPM's fundamental commitment to sustainability and speaks to the deep collaboration required to ensure the resiliency of our global environmental and social systems in the midst of the climate crisis.

OUR POLICIES AND STANDARDS

Key policies and standards

- *Corporate Responsibility Policy:* The Corporate Responsibility Policy accounts for both climate change mitigation and adaptation as well as management of emissions and the reduction of DPM's overall emissions. DPM's Board endorsed the inclusion of climate-related matters as part of this policy, accounting for both climate change mitigation and adaptation.
- *Integrated Management System (IMS):* An IMS is in place at all of our operational sites. While not fully assured by a third party to ISO standards, the management system was designed and modelled after the requirements of ISO 14001 for an environmental management system (EMS). The standard ensures that our efforts are systematically organized towards fulfilling compliance obligations and enhancing our performance.
- Internally developed guidance related to GHG accounting and re-baselining methodology for DPM's inventory and GHG target monitoring, based on the principles of the GHG Protocol.

OUR APPROACH TO CLIMATE CHANGE AND ENERGY

Climate change risk management

DPM has committed to building resilience in the Company by considering the impact of climate change on our business. In line with this, we leveraged the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify the risks and opportunities related to climate change.

The analysis allows us to evaluate physical and transition climate change risks which are then incorporated into our internal Enterprise Risk Management (ERM) and monitored respectively.

Climate change targets and energy management

In 2022, we announced our climate targets: a mid-term commitment to reduce our absolute Scope 1 and 2 GHG emissions by 37.5% by 2035 and a longer-term goal to achieve Net Zero emissions by 2050, both endorsed by the Board. In order to achieve our mid-term 2035 target, the Company has developed detailed site-level and corporate-wide decarbonization roadmap.

Since most of our emissions are Scope 2 emissions, we have processes in place to ensure we are advancing towards our

targets. Every four years, we commission an energy efficiency audit, and we implement recommended measures at our operating sites.

Measurement and reporting

We follow the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to quantify and measure our Scope 1, 2 and 3 GHG emissions for each of our operations. These values are subject to third-party assurance and are reported annually in our Sustainability Reports and Sustainability Data Supplements.



Loma Larga Development Project, Ecuador

WATER MANAGEMENT

BACKGROUND

Effective water management is crucial for DPM due to its operational need, including technological processes, cooling of machinery, sprinkling systems, as well as sanitary water supply. Ore extraction and treatment can release harmful metals and acidity, making proper water and wastewater management essential. This is particularly important in regions where DPM operates where water-related risks from seasonal rainfall or draught can disrupt operations and create tension with local communities.

OUR POLICIES AND STANDARDS

Key policies and standards

- *Corporate Responsibility Policy:* Includes provisions for effective control and reduction of effluents and encourages environmental protection throughout all aspects of our business.
- *Zero Industrial Wastewater Discharge Policy:* Ensures efforts towards optimization of water consumption and reuse through a Water Quality Management Plan that includes the proper treatment and recycling of water.

OUR APPROACH TO WATER MANAGEMENT

Water-related risk management

As water represents an important physical risk for our operations, we evaluate water risks also in the context of their relationship with climate change as part of an assessment based on the recommendations of the TCFD.

Water-related risks identified through the TCFD process are monitored as part of our ERM system and key risks and mitigation strategies are reported to the Sustainability Committee. Once identified, water risks and opportunities are used to inform decision-making throughout the lifecycle of our assets from exploration, development, and operation, through to closure.

Water use

As we operate in water-stressed regions, where our business may be a substantial water consumer and lead to potential competition for demand with the community, we prioritize responsible water use. We continuously implement extensive Surface Water Management Programs, including site-level measures related to refurbishment and construction of existing infrastructure to reduce water use intensity.

Water discharge

As part of our zero industrial wastewater discharge policy, we have been able to make investments in various water recovery and recycling measures, that have resulted in zero industrial wastewater at our mine sites. We are proud that no stakeholder conflicts concerning water resources or water-related incidents have taken place at any of our operations. As part of our holistic approach to the environment we have created a synergy between our water and mine waste objectives by minimizing water requirements and pollution through

upgrading our tailings management facilities. Refer to Tailings Management section.

Water quality

A water quality monitoring plan is in place which tracks the biological quality of local water resources and ensures all legal requirements are met. All water released to the environment by DPM complies with strict standards and discharging permits.



Water Monitoring Station, Loma Larga, Ecuador

BIODIVERSITY AND ECOSYSTEMS

BACKGROUND

We recognize DPM's mining activities could contribute to the main drivers of biodiversity loss through changes in landscape, vegetation removal, and habitat disruption. The Company aims to leave the environment in a better state post-operations. We believe transforming natural capital into social and human capital contributes sustainable community livelihoods. Restoring ecosystems and resilient habitats is crucial to demonstrating our commitment to biodiversity.

OUR POLICIES AND STANDARDS

Key policies and standards

- *Corporate Responsibility Policy:* The Corporate Responsibility Policy set out objectives related to ensuring the efficient use and protection of the natural, physical, and biotic environment.
- *Biodiversity Management Plans:* All of our sites have developed plans based on the environmental and social policy of the European Bank for Reconstruction and Development (EBRD) as well as the standards and recommendations of the International Financial Corporation (IFC). These plans are frequently monitored by internal quality controls to ensure progress in implementing the plan and to introduce any necessary changes or updates at the earliest possible stage. We provide extensive external reporting for specific indicators and have implemented effective oversight by corporate management and the Board.

OUR APPROACH TO BIODIVERSITY AND HABITAT CONSERVATION

Biodiversity and ecosystems risk management

We conduct thorough biodiversity risk assessments as part of our extensive environmental assessment and permitting procedures at the early stages of exploration and development. These assessments guide our Biodiversity Management Plans, which are tailored to the conservation and improvement of habitats and species at each operational site.

All our operational sites have Biodiversity Management Plans in place and have been subject to extensive environmental assessment and permitting procedures at an early exploration and development stage. The plans' general long-term objectives include conservation and improvement of habitats and species while each operational site focuses on specific execution steps from analysis and systematization of the available information regarding biodiversity through to the establishment of an effective system for monitoring and evaluating progress in the implementation of the planned activities.

Stakeholder concerns related to biodiversity, among other aspects, are able to be captured through site-based grievance mechanisms and stakeholder engagement activities, with a feedback loop, enabling two-way communication. We partner with a number of NGOs to ensure adequate measures are considered and implemented.

In late 2023 DPM initiated a process to identify biodiversity-related impacts, dependencies and risks following the Taskforce on Nature-related Financial Disclosures (TNFD) framework and the LEAP approach to locate the Company's interface with nature, evaluate dependencies and impacts on nature, assess nature-related risks and opportunities, and prepare the organization to respond to nature-related risks and opportunities and to report on material nature-related issues.

Rehabilitation and soil management

Mining activities may result in land-use changes modifying the surrounding landscape through deforestation, erosion, and contamination of soil. As a metals and mining company DPM faces regulatory risks related to reclamation after a mine or a waste facility is decommissioned.

Our closure and rehabilitation provisions are developed and updated by qualified third parties and are reflected in our balance sheet as Asset Retirement Obligations. Progressive rehabilitation is a well-established practice across all our operations as our biodiversity management plans include land reclamation and remediation activities. Rehabilitation of degraded and polluted soil is a long-term process that we continue to develop to ensure there is a minimum impact on land from our business.



Storm water reservoir overflow at Ada Tepe mine in Bulgaria

TAILINGS MANAGEMENT

BACKGROUND

Tailings, a common by-product of mining, require containment in a Tailings Management Facility (TMF) and pose significant risks. If these facilities fail, the community and environmental impacts could be devastating. Therefore, continuous risk assessment, management, assurance, and communication are essential to ensure their safe and secure operation.

OUR POLICIES AND STANDARDS

Key policies and standards

- *Corporate Responsibility Policy:* Outlines DPM's commitment to protect the environment and communities surrounding the operations from tailings risks. Within this policy DPM also commits to apply an approach in accordance with the GISTM.
- *Tailings Management Standard:* Sets the performance requirements related to all aspects of TMFs and ensures they are physically and chemically stable for the long-term. The standard was last updated in 2023 to comply with the GISTM. This standard also describes the roles and responsibilities of personnel involved with tailings within the organization from the CEO and the SVP through to key site individuals. This standard is compliant with all European obligations as well as the standards of the Canadian Dam Association and the Mining Association of Canada.

OUR APPROACH TO TAILINGS MANAGEMENT

Independent Tailings Review Board (ITRB)

They provide on-going, independent confirmation by internationally recognized experts that the design, construction, operation, and closure of our TMFs obey all applicable regulations, conform with international best practices, and minimize impacts on the environment and the community. The ITRB is given broad authority to review and comment on all aspects of the TMFs throughout their life cycle and its recommendations are incorporated into corrective action plans prepared and implemented by each site.

Tailings management

Tailing facilities pose significant risks and require thorough risk assessment, management, assurance, and communication for safe operations. DPM designs and constructs TMFs using the most appropriate technology and industry best practices to manage site-specific risks efficiently. Business units create implementation plans and timelines to comply with the Tailings Management Standard and conduct annual internal reviews. Results are shared with the Sustainability Committee, and long-term maintenance is included in closure plans, submitted for regulatory approval.

Competency and training

All personnel involved in the management of TMFs have been properly trained to ensure that the facilities have been constructed and are performing in accordance with the design intent, performance objectives, and applicable standards and regulatory requirements throughout their whole life cycle. DPM has identified specific competencies for all responsible

employees and regular training is provided to ensure only highly skilled personnel are involved in every aspect of TMF operation and maintenance. Design and construction of the facilities are performed by qualified professional engineers licensed under the local jurisdiction.

Mineral waste

At the Chelopech mine, the bulk of mineral waste generation is in mill tailings. Around 40% is waste rock, which is reused for backfilling empty galleries, providing support to the surrounding rock mass, mitigating the risk of surface subsidence, and ensuring a safer working environment. All waste rock is returned underground together with a sulphide resistant cement to avoid any acid rock drainage.

At the Ada Tepe mine site, waste is non-hazardous with inert characteristics and does not negatively impact the surroundings. The waste is managed in an Integrated Mine Waste Facility (IMWF) through a detailed technical and biological rehabilitation plan employed throughout the operation cycle of the mine and beyond.

Non-mineral waste

We separate non-mineral waste into hazardous and non-hazardous, with both types of waste being further split into three categories: waste recycled off-site, waste treated and disposed of on-site, and waste sent off-site but not recycled.

We have implemented separate collection systems for non-hazardous waste, including plastic from bags and water bottles, metal packaging, paper from office buildings, tires from mining vehicles and cars, protective clothing, and others. Hazardous waste streams are segregated and include printer cartridges, used oil, batteries, or any other polluted non-hazardous waste. Employees receive training through information boards outlining the proper handling of various waste types—construction, hazardous, metal, and non-metal—including their storage, transportation, and treatment. Combined with our integrated recycling programs, this ensures that all recyclable waste is diverted from landfills and that the majority of the waste is recycled off-site.

All waste from our mining operations is treated locally and our contracts for off-site waste disposal or recovery have specific requirements for the conditions and location of the waste treatment plants.

On-site inspections

DPM's waste management practices are overseen by national authorities through regular on-site inspections. Suppliers of waste treatment services must provide certifications verified by these national authorities, which are used in third-party assurance of our Sustainability reports. Additionally, DPM organizes employee training in waste management in line with ISO 14001 standards.



Contact Us

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