



Impact and the UN SDGs



Note to readers

This report outlines the approach taken to provide a holistic review of the diverse range of impacts that Polymetal is having social and environmental issues.

Mineral resources are critical to the functioning of modern societies. In addition to being strategically important, mineral resources are an engine of economic development and driver of social wellbeing. Achieving the Sustainable Development Goals (SDGs) set by the United Nations for 2030 (UN General Assembly, 2015) would be impossible without the contribution of minerals and metals, which fuel the manufacturing sector and create jobs and value along the supply chain. At the same time, the production of mineral raw materials can have negative environmental and social impacts. The risks of generating negative impacts should be identified in advance and mitigated appropriately.

This report identifies the key impact areas for Polymetal, outlines the measures Polymetal has taken to ensure a positive impact and mitigate risks and describes how the impact matrix was created.

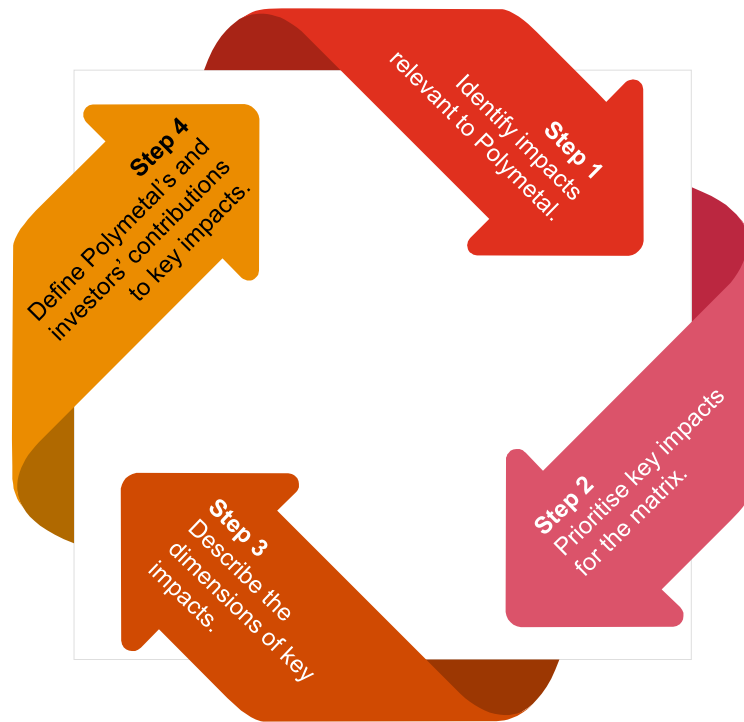
Structurally, the section on the impact matrix lists which steps have been taken and which internationally recognised frameworks have been used.



Approach to creating the Polymetal impact matrix

First step

To identify the impacts relevant to Polymetal, we conducted a study that describes the most frequent social and environmental impacts in the mining sector.



Second step

To prioritize key impacts, we made a comparative analysis of the 28 impacts identified in the sources based on external and internal stakeholders' concerns and expectations.

Fourth step

Activity-based descriptions of the efforts of investors and Polymetal efforts to amplify positive impacts and mitigate risks were listed based on extensive research of Polymetal's sustainability reporting, management data and communication with investors.

Third step

To measure any impact (defined as a change in a positive or negative outcome for people or the planet), dimensions of data are needed. Polymetal data was gathered through interviews and analysis of corporate documentation to inform the desing of the impact dimensions and relevant metrics to measure the impact.

Frameworks referred to in the project



How dimensions of impacts were described

The Polymetal Impact Matrix refers to international and industry recognised frameworks. The impact management project (IMP) framework was used. The matrix constitution refers to impact dimensions that resulted from hundreds of conversations across the IMP's Practitioner Community of over 2,000 organisations. To measure any impact (defined as

a change in a positive or negative outcome for people or the planet), dimensions of data are needed. Polymetal data was gathered to propose impact dimensions and relevant metric to measure the impact.

Understanding the impacts Polymetal is contributing to and how important the impacts are to stakeholders.

WHAT

It describes an impact experienced by stakeholders when engaging with Polymetal as a mining company.

The SDG target that the impact relates to was identified. An impact might relate to more than one goal.

Understanding which stakeholders are experiencing the effect and where this occurs.

WHO

It is a list of the types of stakeholders experiencing the impact and the geographical location where the stakeholder experiences the social and/or environmental impact.

The scale of Polymetal's operations in relation to this dimension covers communities and environments across the upstream and downstream supply and value-creation chain.

Understanding how many stakeholders experienced the impact and what degree of change they experienced.

HOW MUCH

This is a set of relevant metrics that helps to quantify the impact and is publicly available in Polymetal's sustainability reporting.

The metrics for scale and depth of an impact were used to describe this dimension. Stakeholders might be individuals as well as an entire ecosystem.

Assessing the likelihood that the impact will be different than expected through risk identification.

RISKS

It describes the type of risk and likely consequences of its influence on stakeholders.

Since risks may undermine the delivery of the expected positive impact for people and/or the planet, Polymetal's risks mitigation measures were described in the following section.

Contributions of Polymetal and investors

Activity-based descriptions of investors' contributions and Polymetal's efforts to amplify positive impacts and mitigate risks were listed based on extensive research of Polymetal's

sustainability reporting, management data and communications with investors.

Assessing what type of investor's efforts may contribute to impact likely better than what would have occurred otherwise.

CONTRIBUTION

These are Polymetal's potential investment areas that could contribute to further improvement of positive impact delivery and risks management and mitigation measures.

What is POLYMETAL doing to amplify positive impact delivery and mitigate risks?

DRIVING CHANGE

Polymetal's efforts stretch across all impact areas correspond to a holistic representation of all significant impacts that may be associated with mining.

Economic impact, Income & Security



WHAT

What issues does the investment aim to address? How important are the issues for the target stakeholders?

POSITIVE IMPACT 1. Contribution to national and local income; increase in export and GDP; poverty alleviation.

POSITIVE IMPACT 2. Business and employment opportunities in other sectors due to revitalized economy and markets.

What sustainable development goals (SDGs) are aligned with the priority impact areas?

SDG 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to financial resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

SDG 8.1 Sustain per capita economic growth in accordance with national circumstances.

SDG 8.3 Promote development-oriented policies that support productive activities, job creation, entrepreneurship, creativity and innovation, as well as encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

WHO

Who (people, planet, or both) is helped through investments aligned with this strategic goal?

- Employees
- Employees' families
- Upstream and downstream contractors' employees and their families
- Local enterprises
- Local municipalities
- Regional governments
- Local communities

What are the geographic attributes of those who are affected?

Operations in Russia and Kazakhstan, communities located in the Russian Far East, Siberia and the Urals, and Northern and Eastern Kazakhstan

HOW MUCH

How many target stakeholders could experience the outcome through investments aligned with this strategic goal?

Local communities, incl. indigenous across 7 regions in Russia and Kazakhstan: Khabarovsk Krai, Magadan Region, Chukotka Autonomous Okrug, Sverdlovsk region, Republic of Sakha (Yakutia), Kostonai region, East Kazakhstan region

Suppliers in the chain

Municipalities of 22 districts

Regional governments of 7 regions

How much impact could target stakeholders experience through investments aligned with this strategic goal?

Actual reporting data and targets can be found in the annual and sustainability reports.

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

N/A Percentage of locally hired personnel

GRI 203-1 Infrastructure investments and services supported

GRI 203-2 Significant indirect economic impact

GRI 204-1 Proportion of spending on local suppliers

World Bank DBI Tax payments

CONTRIBUTION

How can investments in line with this strategic goal contribute to positive outcomes?

Investments can contribute to improved outcomes through financing:

- solutions to enhance supply chain contractors' engagement practices, particularly in remote locations and often in extreme temperatures, to increase the share of local procurement and thus support entrepreneurship and contribute to uplifting of quality of life in remote locations;
- projects aimed at innovation in products and services, and at operational efficiency to gain competitive advantage and financial sustainability, thus contributing to national and local economic growth.

RISKS

What typical risks attributable to the mining industry may be anticipated? How can the risks be mitigated?

RISK 1. Conflicts and social tensions due to the inequitable distribution of benefits and costs within communities or due to limited access to resources; conflicts between companies and illegal miners.

RISK 2. Adverse economic outcome, increased poverty due to the loss of wages, government failure to reinvest revenues from mining.

What are the potential consequences of these impact risk factors?

The potential consequences of social inequalities and advocacy campaigns that may hinder operations are managed by Polymetal in a transparent and inclusionary manner that, in turn, supports non-conflictual outcomes and socially acceptable relationships.

DRIVING CHANGE

What is POLYMETAL doing to produce a positive impact and mitigate risks?

Paying a fair and accurate share of taxes and royalties:

- Transparent and consistent tax payments to state and local authorities.
- full compliance with laws and regulations, transparent engagement and participation on mining legislation matters.

Driving economic growth with local procurement and supplier development strategies:

- Procurement practices that are intended to engage local suppliers to create socio-economic value where Polymetal operates.
- Suppliers are selected via an open tender process and e-procurement system that assesses suppliers for compliance with regulations, corporate governance principles and anti-corruption policies. The Supplier Code of Conduct stipulates high ethical and sustainability standards for both new and existing suppliers. Regular contractor assessments and audits are performed.
- The Supplier Code mandates zero child, forced or slave labour, with regular checks. Contracts with suppliers contain a clause stating that any such violations will lead to the termination of the contract.

Implementing impact-benefit agreements and encouraging participatory budgeting:

- The company's community engagement policy and social investment policy are applied at every site. Community agreements (legally binding documents) set out the mutual commitments of Polymetal and community legal entities/municipalities.
- A transparent and participatory process for engaging local communities is in place that provides for regular surveying, meetings in person, co-development and co-monitoring of the company's social programmes. The formal grievance procedure ensures a 100% response rate to community questions and concerns.

Considering shared infrastructure solutions:

- Partnerships with local governments and community to support infrastructure projects in remote regions, including the building & renovation of public roads and transportation hubs.



Employment, Education & Demography



WHAT

What issues does the investment aim to address? How important are the issues for the target stakeholders?

POSITIVE IMPACT 1. Employment (direct and indirect in the community and national economy).

POSITIVE IMPACT 2. Employee skill development and further education.

What sustainable development goals (SDGs) are aligned with the priority impact areas?

SDG 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment and entrepreneurship.

SDG 8.5. By 2030, achieve full and productive employment for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

SDG 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

WHO

Who (people, planet, or both) is helped through investments aligned with this strategic goal?

- Employees
- Employees' families
- Local communities
- Upstream and downstream contractors' employees and their families

What are the geographic attributes of those who are affected?

Operations in Russia and Kazakhstan, communities located in Far-east Russia, Siberia, Urals, and Northern and eastern Kazakhstan.

HOW MUCH

How many target stakeholders could experience the outcome through investments aligned with this strategic goal?

Local communities, incl. indigenous across 7 regions in Russia and Kazakhstan: Khabarovsk Krai, Magadan Region, Chukotka Autonomous Okrug, Sverdlovsk region, Republic of Sakha (Yakutia), Kostonai region, East Kazakhstan region

More than 11,600 employees

Employees of contractors in the chain

How much impact could the target stakeholders experience through investments aligned with this strategic goal?

Actual reporting data and targets can be found in Annual and Sustainability reports.

GRI 404-1 Average number of training hours per employee (per year)

GRI 404-2 Programs for upgrading employee skills and transition assistance programs

GRI 102-41 Percentage of total employees covered by collective bargaining agreements.

GRI 405-2 Ratio of basic salary and remuneration of women to men.

CONTRIBUTION

How can investments in line with this strategic goal contribute to positive outcomes?

Investments can contribute to improved outcomes through financing:

- Projects aimed at scaling up training and development of locally hired personnel, broadening opportunities for them to progress into senior management positions.
- Solutions to increase gender diversity in every function and eliminate the gender pay gap.
- Projects aimed at building local workforce capacity while reducing the social and environmental burden of fly-in-fly-out employment.
- Projects aimed at promoting new innovative training solutions and providing flexible learning environment for all staff, including those in very remote locations;
- Infrastructure projects to ensure a decent quality of life of local communities, incl. health and child care facilities for mining and non-mining workers and their families.

RISKS

What typical risks attributable to the mining industry may be anticipated? How can the risks be mitigated?

RISK 1. Poor working conditions, low wages, sub-standard housing provided to workers, health impacts for workers, fatalities and work-related accidents.

RISK 2. Inflation, rising cost and access of accommodation for non-mining workers; long-term population decline, low education levels, highly polarised income levels, dependence on mining for employment and dominance of unskilled and semi-skilled positions.

What are the potential consequences of these impact risk factors?

The potential consequences of poor working conditions and labour market disruptions (which may trigger strikes and labour shortages) are mitigated by Polymetal in full compliance with laws, regulations and essential prudence.

DRIVING CHANGE

What is POLYMETAL doing to produce a positive impact and mitigate the risks?

Expanding the inclusiveness of direct employment:

- No discrimination on any grounds, including gender, race, skin colour, religion, nationality, disability, HIV/AIDS, social origin or political view across all human capital practices. Recruiters are trained on anti-bias employment practices and all equality and inclusion issues are raised at each meeting of the Nomination Committee.
- Fair remuneration of employees of all Group companies is ensured through transparency, objectivity and competitiveness of the remuneration system, including wages linked to local consumer prices index and wages dependency on qualifications & complexity of work performed.
- Employee incentive and performance management systems work toward an appreciation of the achievements of every employee, motivation and providing equal opportunities for development and promotion. Special attention is paid to gender-sensitive social benefits, support of female workers and those who retire.
- Employment to disabled people is provided and special working conditions for employees injured while being employed in Polymetal are created.
- Permanent efforts are given to creating decent working and living conditions for workers and their families, these include workplace harm-free culture enhancement, preventive medical care and healthy lifestyle promotion.

Ensuring equal opportunities for women and recognising the roles and rights of women:

- Key positions where female representation needs to be improved have been identified. Monthly monitoring of gender ratios for certain positions are conducted.
- Targets for female representation in male-dominated roles are set and monitored.

Investing in workforce education, training and technical programmes and promoting skills development:

- Building direct and indirect local employment and training programmes to exacerbate inequality among local communities.
- Employees can access a range of training opportunities, both on-the-job (via our in-house training centre), online or via external training providers.

Building technical scholarships and new graduate programmes into recruitment strategies:

- Technical scholarships and new graduate programmes in partnership with local universities and colleagues are built into recruitment to help shape future qualified employees.
- Efforts are made to provide work and skills opportunities for young people within the community, in partnership with local organisations.



Human Rights



WHAT

What issues does the investment aim to address? How important are the issues for the target stakeholders?

POSITIVE IMPACT 1. Employment (direct and indirect to community and national economy).

POSITIVE IMPACT 2. Employee skill development and further education.

What sustainable development goals (SDGs) are aligned with the priority impact areas?

SDG 5.1. End all forms of discrimination against all women and girls everywhere.

SDG 16.7. Ensure responsive, inclusive, participatory and representative decision-making at all levels.

SDG 16.10. Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

WHO

Who (people, planet, or both) is helped through investments aligned with this strategic goal?

- Employees
- Employees' families
- Local communities
- Upstream and downstream contractors' employees and their families

What are the geographic attributes of those who are affected?

Operations in Russia and Kazakhstan, communities located in the Russian Far East, Siberia and the Urals, and Northern and Eastern Kazakhstan.

HOW MUCH

How many target stakeholders could experience the outcome through investments aligned with this strategic goal?

Local communities, incl. indigenous across 7 regions in Russia and Kazakhstan: Khabarovsk Krai, Magadan Region, Chukotka Autonomous Okrug, Sverdlovsk region, Republic of Sakha (Yakutia), Kostonai region, East Kazakhstan region

More than 11,600 employees

Employees of contractors in the chain

How much impact could the target stakeholders experience through investments aligned with this strategic goal?

Actual reporting data and targets can be found in Annual and Sustainability reports.

GRI 406-1 Incidents of discrimination and corrective actions taken

GRI 412-2 Employee training on human rights policies or procedures

GRI 413-1 Operations with implemented local community engagement, impact assessments and development programmes

GRI 413-2 Operations with significant actual and potential negative impacts on local communities

Behind the Brands scorecard indicator Supplier code requires suppliers to have non-discrimination and equal opportunity policy [wom4.1.1]

CONTRIBUTION

How can investments in line with this strategic goal contribute to positive outcomes?

Investments can contribute to improved outcomes through financing:

- Projects aimed at enhancement of human rights training and assessment practices across Polymetal sites and business units.
- Projects aimed at dissemination and promotion of human rights requirements and best practices across upstream and downstream supply chain contractors.
- Solutions that advance human rights auditing practices and preventive measures across upstream and downstream supply chain contractors.

RISKS

What typical risks attributable to the mining industry may be anticipated? How can the risks be mitigated?

RISK 1. Lack of stakeholder inclusion and non- involvement of indigenous communities, lack of informed consensus and social acceptability.

RISK 2. Unequal opportunities and discrimination (gender based, marginalized and vulnerable groups, i.e. disabled, aged, ethnic minorities, indigenous, young).

What are the potential consequences of these impact risk factors?

The potential consequences of failing to engage vulnerable groups and gain social acceptance (which may trigger conflicts with local communities and socio-economic disparity) are mitigated by Polymetal through being self-accountable for establishing and maintaining an equitable and responsible social environment.

DRIVING CHANGE

What is POLYMETAL doing to produce a positive impact and mitigate risks?

Promoting the rule of law and championing inclusivity widely across operational activities:

- Human rights risks, mitigation measures and corresponding policies and standards identified along the value creation chain. Risks, measures & tools cover community rights, occupational health & safety, environment, labour relations, security, diversity and equality.
- Human rights impact assessment is integrated into the formal risk assessment procedures.
- The company's policies on human rights, diversity, human resources and social investment are applied at every site.
- The company's anti-bribery and corruption, gifts and entertainment, and whistleblower policies are applied at every site.
- The company's employment and labour standards are enforced at every site. Employees' concerns are regularly surveyed.
- Most employees are covered by collective bargaining agreement.
- A statement in support of enforcing the Modern Slavery Act has been made.

Implementing responsible sourcing:

- Human rights assessment and monitoring across the supply chain: all contracts comply with the Supplier Code of Conduct, pre-qualification questionnaires and ongoing auditing.

Anticipating and preventing the risks of conflict within communities and the company related to inequality:

- Resettlement is avoided wherever possible, 100% of community concerns and questions are addressed in an inclusive dialogue manner.
- Transparent commitment to and investment in preserving indigenous languages and protecting the rights of indigenous communities.

Respecting human rights and the special status of indigenous peoples:

- Human rights mandatory training for all security staff to prevent stakeholders' rights violation.
- Mechanisms are developed to address concerns of most vulnerable stakeholders that struggle with voicing their opinions.



Environment, Health & Safety



WHAT

What issues does the investment aim to address? How important are the issues for the target stakeholders?

POSITIVE IMPACT 1 – Utilization and diffusion of innovative and environmentally sound technologies.

POSITIVE IMPACT 2 – Dissemination of best practices of monitoring and assessments, promoting risks mitigation measures among sector peers and supply chain.

What sustainable development goals (SDGs) are aligned with the priority impact areas?

SDG 3.4. By 2030, reduce premature mortality from non-communicable diseases by one-third through prevention and treatment and promote mental health and well-being.

SDG 3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

SDG 12.2. By 2030, achieve the sustainable management and efficient use of natural resources.

WHO

Who (people, planet, or both) is helped through investments aligned with this strategic goal?

- Employees
- Employees' families
- Local communities
- Upstream and downstream contractors' employees
- Managed land area: indigenous and non-indigenous land
- Ecosystem, habitat and biodiversity, incl. marine, freshwater, terrestrial

What are the geographic attributes of those who are affected?

Operations in Russia and Kazakhstan, communities located in the Russian Far East, Siberia and the Urals, and Northern and Eastern Kazakhstan.

HOW MUCH

How many target stakeholders could experience the outcome through investments aligned with this strategic goal?

Local communities, incl. indigenous across 7 regions in Russia and Kazakhstan: Khabarovsk Krai, Magadan Region, Chukotka Autonomous Okrug, Sverdlovsk region, Republic of Sakha (Yakutia), Kostonai region, East Kazakhstan region

More than 11,600 employees

Employees of contractors in the chain

Managed land area: 19153 hectares

How much impact could the target stakeholders experience through investments aligned with this strategic goal?

Actual reporting data and targets can be found in Annual and Sustainability reports.

GRI 302-1 & 302-2 Energy consumption within & outside the organization (% of renewable energy)

GRI 302-4 Reduction of energy consumption

GRI 303-1 Interactions with water as a shared resource

GRI 303-5 Water consumption (intensity & fresh water savings)

GRI 305-4 GHG emissions intensity

GRI 306-2 Total weight of waste (hazardous & non-hazardous, % reused)

GRI 403-2 Hazard identification, risk assessment, and incident investigation

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

GRI 403-9 Work-related injuries

GRI 403-10 Work-related ill health

CONTRIBUTION

How can investments in line with this strategic goal contribute to positive outcomes?

Investments can contribute to improved outcomes through financing:

- Projects aimed at construction, development, operation, acquisition and maintenance of infrastructure for sustainable mobility and cleaner vehicles with a lower environmental impact, for communities and for the Group's fleet.
- Projects aimed at increasing the Group production of renewable energy, through acquisitions, construction or maintenance projects.
- Projects aimed at systems or products that reduce energy consumption or mitigate greenhouse gas emissions.
- Solutions that promote the sustainable management of water resources.
- Solutions that promote the sustainable or safer waste management / disposal.
- Projects aimed at connecting renewable sources (transmission lines).

RISKS

What typical risks attributable to the mining industry may be anticipated? How can the risks be mitigated?

RISK 1. Negative health impacts in mining communities; local population health and safety (e.g. damages caused to dwellings by explosive, mine related injuries during booming mine activities). Impacts related to boom-bust cycles (increases in pregnancies, sexually transmitted infections, HIV during bust times, mental health issues such as depression and anxiety; overarching community health issues prominent during both boom and bust periods include burdens to health and social services, family stress, violence towards women, etc.).

RISK 2. Environmental impacts affecting social conditions and health.

What are the potential consequences of these impact risk factors?

The likely consequences of negative health impacts on and attributable social conditions of employees and potentially affected communities may trigger unfavourable working conditions and precarious changes in quality of life, habitat and environment. Polymetal makes substantial commitments and follows policies for health and safety to pre-emptively address these risk factors.

DRIVING CHANGE

What is POLYMETAL doing to produce a positive impact and mitigate risks?

Building climate change resilience:

- A sophisticated group-wide environmental management system in place. All production sites are third-party certified acc. to ISO14001 (Environmental Management).
- Scenario planning is conducted to identify potential climate impacts on operations and local communities.
- Climate-related risks are identified and managed with input from the Board of Directors.
- Extensive stakeholder engagement on environmental responsibility, including engaging employees through a culture of energy efficiency and engaging suppliers in upstream emissions estimation & downstream carbon footprint assessment.

Measuring, reporting and preventing emission of toxic substances to the surrounding environment:

- Carbon transition pathway established: upgrading to energy-efficient technologies (LEDs, energy storage, etc), decarbonising electricity (replacing diesel with renewable energy of electric grid), decarbonising transport (use of battery-electric vehicles and low-carbon transport technologies).
- Regular technological upgrades through the use of greened processing technologies (POX), which compared to traditional bio oxidation and roasting processes, offer zero sulphur dioxide and arsenic emissions and lower CO₂ levels, as well as reduced cyanide usage.

Conserving and recycling water and taking approaches to managing water that considers social, cultural and technical aspects:

- No operations in regions where there are water-stress areas. Committed to never withdraw water from surface sources in environmentally sensitive areas, or where water is of great importance to local or indigenous communities.
- Gradual decrease in fresh water withdrawal through greater reuse & recycling, incl. extracting water from runoff that has naturally seeped into mines or drainage systems.

Implementing environmentally sound management of chemicals and waste throughout their life cycle:

- Cyanide suppliers and certified and monitored against the Cyanide Management Code.
- Gradual transition to dry stack tailings storage facilities with two mines implemented and default optioned for all future projects.

Managing health risks at all phases in the mine life cycle:

- Ensuring road safety for staff, contractors and the community.
- Anticipating and collaborating with local health institutions to manage health risks related to an influx of new workers into local communities.
- Ensuring a safe and healthy working environment and collaborating with government and civil society to ensure that employees, their families and the communities have access to healthcare and treatment for communicable and non-communicable diseases.
- Ensuring the near-mine environment and waterways are free from harmful debris and/or toxins.



Land use



WHAT

What issues does the investment aim to address? How important are the issues for the target stakeholders?

POSITIVE IMPACT PRIO 1 – Improved infrastructure, telecommunications, road network, power and water supplies, improved access to health and education.

What sustainable development goals (SDGs) are aligned with the priority impact areas?

SDG 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

SDG 15.1 By 2020, ensure the conservation, restoration and sustainable use of freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands.

WHO

Who (people, planet, or both) is helped through investments aligned with this Strategic Goal?

- Managed land area: indigenous & non-indigenous land
- Ecosystem, habitat and biodiversity, incl. marine, freshwater, terrestrial
- Local communities
- Local municipalities

What are the geographic attributes of those who are affected?

Operations in Russia and Kazakhstan, communities located in the Russian Far East, Siberia and the Urals, and Northern and Eastern Kazakhstan.

HOW MUCH

How many target stakeholders could experience the outcome through investments aligned with this strategic goal?

Local communities, incl. indigenous across 7 regions in Russia and Kazakhstan: Khabarovsk Krai, Magadan Region, Chukotka Autonomous Okrug, Sverdlovsk region, Republic of Sakha (Yakutia), Kostonai region, East Kazakhstan region

Managed land area: 19153 hectares

How much impact could the target stakeholders experience through investments aligned with this strategic goal?

Actual reporting data and targets can be found in Annual and Sustainability reports.

G4-MM1 Amount of land disturbed or rehabilitated

GRI G4 MM9 Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process

SASB EM-MM-210a. % of proved reserves in or near indigenous land

CONTRIBUTION

How can investments in line with this strategic goal contribute to positive outcomes?

Investments can contribute to improved outcomes through financing:

- Projects aimed at improving infrastructure, telecommunications, power & water supplies for communities in or near Polymetal operations associated areas.
- Innovative projects to excel technologies applied at mine closures to ensure constant improvement of mine lifecycle management.
- Projects aimed at advancing land rehabilitation and reclamation practices;;
- Projects aimed at biodiversity monitoring, establishing marine and terrestrial conservational areas and contributing to research and planning.

RISKS

What typical risks attributable to the mining industry may be anticipated? How can the risks be mitigated?

RISK 1. Expropriation, population displacement and resettlement (and consequent unemployment, landlessness, homelessness, loss of common resources, impoverishment of living standards), forceful acquisition of land.

RISK 2. Limited access to land and consequent impact on livelihood, food insecurity, and loss of protected areas.

What are the potential consequences of these impact risk factors?

The potential consequences of land acquisition and population resettlement may cause public disputes incl. indigenous population, political concerns, and negative effects on community livelihood and habitat. Polymetal takes full responsibility for the ecosystems that provide valuable services to society and the biodiversity on which these ecosystems depend.

DRIVING CHANGE

What is POLYMETAL doing to produce a positive impact and mitigate risks?

Planning early for land access, resettlement and livelihood restoration:

- Conservation value of land is always assessed prior to operation.
- Impact on biodiversity and conservational value is regularly monitored; most recent monitoring data show no significant impact on biodiversity around any of our production sites.
- No building or operations on migratory routes or close to environmentally-protected or indigenous peoples' territories;

Planning land use for life-of-mine:

- All site staff is trained in environmental management and security, hazardous waste and land reclamation to ensure they understand their responsibilities to protect biodiversity.
- Biodiversity management standards are embedded in the groupwide environmental management system;
- The end-of-life of a mine is prepared for at every stage of its operations in terms of safety and environmental management. Prior to mine closure, a system of environmental surveying is activated to ensure that underground operations, drilling sites and buildings are safe to people and the environment.
- A mine closure management system is deployed across all sites to ensure consistency. The System support a rigorous and transparent approach to every mine closure, including stakeholder engagement. For underground mines and pits, environmental principles are applied in closures of wider infrastructure such as tailings storage, waste dumps, process plants and roads.





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