

Polymetal’s Modern Slavery Act Transparency Statement

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Introduction

This statement is made on behalf of Polymetal International plc Group of companies (together with its subsidiaries, hereinafter – “Polymetal” or “the Group”) in accordance with the UK Modern Slavery Act of 2015. Respect for human rights is a critical foundation of our business. We are committed to a zero tolerance approach to slavery and human trafficking throughout our organisation and supply chain. Our Human Rights Policy outlines our support for the complete eradication of all forms of child, forced and compulsory labour, and its commitment to the freedom of association and expression.

Polymetal, as a major international mining company, has a role to play in global efforts to combat slavery. We recognise that mining operations can affect human rights and apply a comprehensive approach to deal with these risks at all of our operations. The purpose of this statement is to share our achievements over the past year and our plans for 2020 and beyond with our stakeholders.

Polymetal at a Glance

Polymetal is a leading precious metals producer with a portfolio comprising of nine operational gold and silver mines and several development projects across Russia and Kazakhstan. We are a dynamic and progressive company with a simple objective: delivering sustainable value to all of our stakeholders. We intend to achieve this by committing to our strategy, business model and culture of excellence in everything we do.

Our business model is based on a holistic approach to building a sustainable future for all of our stakeholders: investing in the skills and expertise that support our key competencies and delivering throughout the operation cycle. This approach is underpinned by our commitment to uphold the highest standards of human rights, corporate governance, corporate responsibility and sustainable development.

Approach to Modern Slavery

Polymetal's approach is aligned with universal principles of human rights. We have developed a range of robust policies and procedures that strictly prohibit the use of any type of forced labour. Our recognition of the value of diversity and the importance of protecting human dignity are enshrined in our Code of Conduct, Supplier Code of Conduct, Human Rights Policy, Policy on diversification of the staff structure, Employment and Labour Standard and other internal regulatory documents.

In terms of governance, the Safety and Sustainability Committee, which includes the Group's CEO, oversees all sustainable development, human rights and modern slavery issues on behalf of the Board. The Committee is responsible for setting the strategic direction for our social, ethical, environmental and safety performance as well as evaluating the effectiveness of our initiatives and managing related risks.

Our main policy dealing with slavery and human trafficking is our Human Rights policy, which sets out a zero tolerance approach to the use of child, forced or compulsory labour by Polymetal or any of our contractors and suppliers. It serves as the cornerstone of our human rights efforts and establishes a clear foundation for managing our business in accordance with overarching global principles expressed in the UN Global Compact, Universal Declaration on Human Rights, International Labour Organisation Declarations and other international covenants and standards covering human rights and dignity.

Our Human Rights Policy reflects Polymetal's commitment to respect human rights and dignity, while our Supplier Code of Conduct states that all our suppliers must adhere to these standards as a precondition for any partnership with Polymetal. Likewise, Polymetal has adopted an Employment and Labour Standard that reaffirms our unwavering opposition to forced and compulsory labour. The Standard applies to our employees and any third-parties with whom we do business.

The abovementioned documents are available on Polymetal's website. The internal issue-related policies and procedures of the Group Companies can be found on the internal networks of the respective companies. All employees are made aware of these policies and know where to find them.

Supply Chain Overview

Our suppliers and contractors make a significant contribution to our business. We aim to build stable, long-term relationships with them, enabling us to achieve mutually beneficial business advantages and uninterrupted supply. We work to ensure compliance with human rights, environmental and safety standards across the Polymetal supply chain in collaboration with our partners. Our supply chain management system ensures that our procedures are transparent, with competitive terms, equal partnerships, on-time delivery of goods and services, reliable suppliers, and full compliance with the applicable regulations.

We understand our obligations to stakeholders to guarantee that our supplier relationship practices comply with international and our own anti-slavery principles. Therefore, we encourage our suppliers, contractors and clients (off-takers) to improve their anti-slavery practices by implementing our Supplier Code of Conduct and making a commitment to anti-slavery a core condition of our agreements with them. We have added modern

slavery reporting and labour law compliance clauses to our contracts. As per our policy, we expect them to respect human rights and categorically reject the use of any forced labour.

We engage local suppliers wherever we can, helping to stimulate regional and national supply chains and economies. On average, around 48% of our supplier purchases in Russia come from the regions where we operate. We have maintained this rate for the past eight consecutive years. In Kazakhstan, local suppliers account for 84% of our procurement portfolio.

Due Diligence

We are continuously implementing our Human Rights Policy throughout Polymetal's operations. We constantly monitor and evaluate the evolving human rights situation in the jurisdictions where Polymetal operates and update our guiding principles to reflect this.

In our procurement strategy, we commit to long-term planning and transparency and select our partners via an open tender processes. We assess suppliers with standardised scorecards to guarantee objectivity and fairness assessment. Furthermore, we conduct selective audits to ensure that we only work with ethical suppliers and require them to comply with our corporate governance principles and anti-corruption policies.

We also undertake thorough legal compliance checks and always request references from their clients. In 2019, we assessed 7,698 potential contractors, 320 of whom were deemed non-compliant and removed from the procurement process.

Risks Assessment and Effectiveness

We aim to minimise potential adverse human right impacts from all our business operations. Human rights impacts are fully integrated in our risk assessment procedures. We recognise the importance of regularly identifying, analysing and assessing potential risks of violations of human rights and developing rapid responses to tackle them before they can materialise.

We expect our suppliers, employees and off-takers to report slavery or trafficking issues as soon as they become aware of them. Our Human Rights Policy has established a comprehensive complaints mechanism, which allows stakeholders to report any concern or query anonymously, without fear of prejudice or reprisals from the aggrieved person(s). A swift response procedure swings into action as soon as a violation of human rights is detected, including suspicions of slavery or human trafficking. Polymetal will act to quickly resolve all human rights impacts and is continuously looking for ways to improve the efficiency and results of its procedures.

Our annual sustainability report is one of the channels we use to inform our stakeholders about our efforts to protect human rights, alongside:

- Hotlines, the company website, feedback boxes and complaints mechanisms;
- Employee and community surveys and questionnaires;
- Workers' councils;
- Meetings and annual conference calls with management, the Group CEO and the Board of Directors;
- Performance review meetings with local communities.

In 2019, we conducted human rights risk assessment to ensure that our standards and best practices were being applied consistently across all sites in Russia and Kazakhstan. Overall, we found that risks were low and the right measures were being taken. Among the risks identified were a lack of formal training in anti-discrimination and anti-corruption, as well as insufficient awareness of corporate policies. To fill this gap, we

plan to educate our employees on the Group's policies through our internal communication channels and trainings.

Training and Capacity Building

Each employee is guided by our Code of Conduct and Human Rights Policy, which clearly state our strict prohibition of the use of any forced labour. Our corporate standards apply rigorously to all of our employees. Every individual within the company is expected to recognise and observe the values they uphold in their interactions with fellow employees at all times.

We communicate the Policy and Codes to all stakeholders and encourage Human Rights awareness training for all staff. All of our employees receive Code of Conduct training at induction. Certain employees, whose roles are most likely to involve human rights issues, including all security personnel, must complete annual refresher courses.

In 2019, we launched an online training on identifying human rights violations and risks. The training was assigned to all employees at managing positions across the Group. In 2019, 322 managers working in human resources, security, procurement, health and safety, environmental and other departments completed the course.

Moving Forward

We will continue overseeing the Act's implementation to identify further areas for continuous improvement. This will involve reviewing assessment reports on potential human rights issues and developing recommendation to avoid human rights violations. Moreover, there are further steps we can take to ensure that modern slavery will not occur in our operations or supply chain:

- Regularly reviewing and refining our policies and procedures to ensure they are in line with best practice;
- Expanding training to our employees at all operating sites to increase their awareness of human rights, help them identify human rights risks and demonstrate the possible actions that each person can take to address violations;
- Conducting internal assessments throughout the company to identify the human rights issues that require the most attention to prevent any risks materialising;
- Promoting awareness of human rights among our contractors and suppliers across all operations to ensure that they share our rejection of modern slavery in all forms.

Contacts

We welcome any queries from our stakeholders. Questions regarding the content and application of the Polymetal's Modern Slavery Act Transparency Statement can be forwarded to our specialists in any convenient form, including by phone or via e-mail. Our contact details can be found in the Contacts section on Polymetal's official website.