



**Committed People
World-Class Assets**

DELIVERING SUSTAINABLE VALUE

Sustainability Report

2020

**Committed People
World-Class Assets**

DELIVERING SUSTAINABLE VALUE



WE SUPPORT

Polyus is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

ICMM
International Council
on Mining & Metals

**MINING WITH
PRINCIPLES**

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INTERVIEW WITH THE CHAIR



We did not allow the challenges of the year to detract us from our sustainability goals, but rather used the pandemic as an opportunity to improve them further.”



EDWARD DOWLING
CHAIR

MOEX AND LSE
TICKER

PLZL

COVID-RELATED MEASURES FUNDED
DURING 2020, INCLUDING SUPPORT TO
LOCAL COMMUNITIES
MILLION

\$155

Q. In recent years, adherence to sustainability principles has become not just a 'nice-to-have' for companies, but a prerequisite for doing business. What role does sustainability play at Polyus today?

A. Markets show a direct correlation between excellent governance and superior returns. Sustainability is a key governance process at Polyus. Today, a company that strives to sustain its market share and be competitive should aim not only to generate profits, but also to create long-term value for all stakeholders. For over a decade, Polyus has been following a strategy that advocates going beyond legislation compliance; the Company goes the extra mile and embeds sustainability in every aspect of its business. Sustainability is now fully integrated into all areas of our business and has become the foundation of all of Polyus' activity.

Our approach to sustainability also goes beyond our own business interests and the interests of our direct stakeholders. As a proud member of the International Council on Mining and Metals (ICMM), we have the opportunity to shape sustainability requirements and help improve the performance of the global mining industry. Therefore, I can say that at Polyus we see sustainability as an opportunity to ensure a healthy present and a prosperous future, whilst also underpinning the success of the business and its long-term position on the gold market.

Q. You've mentioned that sustainability is fully integrated into all production and business processes at Polyus. Could you tell us a bit more about the Company's sustainability principles?

A. Sustainability shapes our corporate culture. We are committed to ensuring that all of our actions are carried out with an understanding of the consequences for employees, communities and the environment, and on this basis we aspire to make the most deliberate and effective decisions. We expect all Polyus employees and contractors to adhere to the key principles of sustainability: business integrity, respect for human rights, safe work and health care, environmental protection.

Our Company advocates for sustainability and we seek to contribute to the achievement of the UN Sustainable Development Goals. We transparently report on our sustainability progress every year according to GRI standards as well as the most widely accepted environmental, corporate governance, and social responsibility standards. We regularly disclose information about our environmental activities, human resources management, approach to occupational safety, and community engagement in the regions where we operate. In all these spheres, we do our utmost to deliver maximum value, and transparency and regular reporting allow us to reflect on the progress being made and areas for further development, as well as to benchmark our sustainability indicators against those of our peers.

Q. How do you measure whether Polyus is moving in the right direction in terms of sustainability?

A. Socially responsible and ESG investing has gathered momentum. We see strong stakeholder interest in the idea of doing business with a broader purpose. Over the past years, our efforts to create value for the Company and for our stakeholders have led to us improving our positions in leading global ESG ratings. In 2020, the Company received an A in the MSCI ESG Rating (up from BBB in 2019), improved its positions in CDP Climate Change and CDP Water Security, and raised its S&P score. Polyus was ranked third in the annual Russian Metals and Mining Companies Environmental Transparency Rating. Polyus is recognized for its efforts in setting the tone in non-financial reporting by the business community and investment community.

Moreover, the Company's efforts to nurture and establish strong relationships with local communities are rewarded by their support for our initiatives to create improved living conditions in the regions where we operate. Thus, we increase trust in Polyus and in turn this supports our relationships and reputation.

Q. What is the future for sustainability at Polyus?

A. We believe that, when it comes to sustainability, we need to understand that achieving change is a complex and continuous process. Each year, we record our progress against our goals and challenge ourselves with new ones, mark our successes, and work on our mistakes. We understand that we can do even more for our stakeholders as a company. We are now at the start of our journey toward establishing our first ever climate strategy. This will mark an important milestone for us as we increase our efforts to help prevent the worst impacts of global warming. Climate issues and risk evaluation were key discussion topics at Board meetings in 2020 and will remain so. The bottom line is that sustainability is an ongoing process that requires continuous improvement of the Company's operations across all areas.

As I've mentioned before, our close ties with the ICMM enable us to set the industry agenda and lead the shift to sustainability and a deeper integration of measures to support the observance of human rights and combat climate change. We establish new approaches, pilot new practices, and share these across the industry.

Our goal is for Polyus to always be perceived as a responsible company, a thought leader in sustainability, and a reliable partner and strategic investor that makes a significant contribution to the development of the global gold mining industry for the benefit of people, regions and the environment.

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER

“

The restrictions imposed by the COVID-19 pandemic led to some extensions to the completion dates of some engineering studies, but the operational integrity of our assets was unaffected."

PAVEL GRACHEV
CEO



Q. Sustainability is an important area of focus for Polyus. How does the Company manage its sustainability performance?

A. The activities of any major production company naturally have an impact on the regions where it operates, including on the environment and local communities. Polyus is no exception to this rule. This is why we take our responsibility for proactively managing our stakeholder impact extremely seriously.

Sustainability is embedded into our business. We take great care in managing our production processes in the most efficient and responsible way, and we take exactly the same responsible approach to managing issues related to sustainability. In 2017, the Company set five fundamental goals for the period up until 2020 to promote sustainability, covering areas such as developing a strong team of professionals, achieving good financial results and high production growth, ensuring zero fatalities, effectively managing environmental and social risks, and developing local communities. Our new corporate strategy cycle for 2021-2027 will further embed sustainability principles throughout our business; our ultimate goal remains ensuring zero fatalities, minimizing our environmental footprint and contributing positively to the wellbeing of the communities local to where we operate.

The Company has developed a number of policies and regulations which govern our sustainability activities as a whole. Environmental, social, and economic risks are covered by Polyus' corporate management system.

We maintain an approach that calls on all employees to comply with our underlying sustainability principles, and this helps us to accomplish our aims both of mitigating the adverse impacts of our activities and of increasing value for all the Company's stakeholders.

Q. Which sustainability achievements are you particularly proud of in 2020?

A. In 2020, the COVID-19 pandemic posed unprecedented challenges for the global business community. During this time, we took heightened measures to manage the health and safety of our employees, contractors and local residents. I am proud that, despite the scale of our operations and the complexity of our production processes, we were able to adapt quickly to the new reality.

All our employees were tested, and social distancing as well as the wearing of masks and gloves was made mandatory for all staff. The Company supplied employees with medicine and personal protective equipment and we disinfected our premises on a daily basis.

To ensure the health and safety of local communities in our regions of operation, we also donated medical equipment to hospitals located near our operating assets. Forty-five artificial lung ventilation devices were delivered to medical institutions. In addition, we established a joint foundation for anti-COVID measures in partnership with the Far East Development Fund and invited other major companies operating in the region to participate.

Coordinated efforts between Polyus, the authorities, and local communities made it possible to keep the epidemiological situation in our regions of operation under control. I'm deeply proud of our Company including all our employees, as we have once again demonstrated our commitment to being a strong partner in supporting our regions of presence, and we have proven that, despite the size and complexity of our business, we were able to adapt quickly and flexibly to an evolving and deeply challenging situation, and stood by our communities throughout this pandemic.

Q. Polyus takes employee safety very seriously. What health and safety initiatives did the Company introduce during the reporting period?

A. The health and safety of our employees is crucial to our business as it underpins our ability to operate effectively. The Company's main goals in the area of occupational health and safety are to achieve zero severe injuries, and zero fatalities, and to prevent accidents. We are constantly working to enhance the efficacy of our health and safety risk management and we run a large number of initiatives that aim to foster a strong safety culture at Polyus.

Training is an important factor in the development and enhancement of our safety culture. During the reporting period, 96% of our employees were trained in occupational health and safety and 100% of line managers completed our health and safety leadership training program. We have a policy that all Company employees and contractors must both adhere to our own Health, Safety and Environment

Policy and comply with International Council on Mining and Metals (ICMM) sustainability principles.

Effective measures we took in 2020 enabled us to improve our safety culture to level 2.6 on the Bradley scale (up from 2.4 in 2019). In 2020, Polyus' LTIFR stood at 0.1 and our automotive accident rate fell from 0.28 to 0.19.

Q. The Company's employees are the driving force behind production growth and business development. What happened in 2020 in terms of human resource management?

A. 2020 was a challenging year and our main focus was on our comprehensive response to the COVID-19 pandemic. I am grateful to all Polyus employees and contractors for their acceptance and understanding of the stringent behavioral restrictions, the stricter safety protocols and the additional medical checks the Company had to enforce. All of this was done to protect the health and well-being of our people. As we move into 2021, our wide-ranging COVID-19 protocols remain in place at all of our sites to ensure the absolute minimum risk to our people.

Despite the pandemic, we continued to focus on the development of our personnel, increasing the number of employees trained under various programs during the reporting period by 16%. We are proud that our employees demonstrate a high level of social responsibility and proactively engage in various volunteering activities, such as organizing activities for children, supporting vulnerable groups, donating blood, and other initiatives aimed at improving people's well-being and quality of life. In 2020, we also developed an Online Volunteer School to help our employees help others virtually during the pandemic, and this is scheduled to continue at Polyus in 2021.

Q. Almost all major companies have a significant environmental footprint. What does Polyus do to mitigate its environmental impacts?

A. We endeavor to preserve the environment in its original form. This means doing our utmost to reduce any potential negative effects of our operations and increase

the positive impact we have on the environment. One important aspect of our environmental protection activity is the safe operation and management of our tailings storage facilities. In 2020, as a member of the ICMM, Polyus participated in developing the Global Industry Standard on Tailings Management, which we believe represents a significant step for the industry towards improving tailings safety standards. We are now working on implementing the Standard throughout our operations.

We are also committed to contributing toward to the attainment of the UN Sustainable Development Goals, and year on year we strive to reduce our greenhouse gas emissions, enhance our energy efficiency, and do all we can to support the fight against climate change. We see increasing demand from industry stakeholders to see Polyus and peers proactively address the issue of climate change. In 2020, we began a very important exercise of assessing climate risks at one of our business units. This project represented the first important step on our journey toward the development of our climate strategy. We fully understand the importance of taking not just reactive, but proactive measures to remain relevant as a business in the long-term.

Waste management is another key focus. We monitor the Company's waste generation very closely, giving particular consideration to how we manage cyanide and other hazardous substances. It is important to us that we help preserve high levels of biodiversity in the territories where we operate, and we invest in activities to support this, including extensive environmental monitoring, and repopulation programs where relevant.

Q. What is Polyus' socio-economic development policy in its regions of operation? What progress was made in working with local communities in 2020?

A. As I've already mentioned, in 2020 we provided significant medical assistance to the regions where we operate. In addition to this, we continued to focus on the development of education and sports, improving local infrastructure, and preserving local cultures. We are

very conscious of our responsibilities to our local communities, which include indigenous communities, and are committed to fostering strong relationships and maintaining engagement and open dialogue with these stakeholders, and to respecting their human rights, dignity, cultures and livelihoods.

The most significant projects implemented in the reporting period included the renovation of roads and the construction of an airport in Bodaibo (undertaken in cooperation with the local authorities), commencing work to build a sports complex with a swimming pool in Nizhneudinsk, and the renovation of accommodations in Ust-Omchug. In addition, the Company organized a number of sporting events, provided financial support to educational institutions, took part in organizing cultural festivals, and opened various museums and memorials.

Q. And, finally, is this sustainability focus is here to stay?

A. It absolutely is here to stay. We are pleased that the theme of sustainability has gathered significant traction in recent years, and is now bringing together companies from all over the world, working towards a common goal to run businesses conscientiously. I believe that all companies should be held responsible for their actions and use every opportunity to create value for stakeholders. Polyus has always set itself ambitious goals, as they facilitate the rapid development of the Company. We will always endeavor to take all necessary measures to increase our contribution to global prosperity and well-being, alongside the growth of our own production and of our Company as a whole.

ABOUT POLYUS

PJSC Polyus is the largest gold producer in Russia and is among the top-10 leading global gold mining companies. Our Company has the largest gold reserves in the world.

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- 12 Our business model**
- 14 Our FY2020 sustainability performance**



POLYUS AT A GLANCE



WHERE WE OPERATE

GRI 102-4 · GRI 102-6

Polyus is one of the top-10 mining companies in the world. We hold the world's largest gold reserves, with 104 million ounces of proved and probable gold reserves. The Company operates in Russia's richest gold mining provinces in Eastern Siberia and the Far East: our established mines are located in Krasnoyarsk Territory, the Irkutsk, Magadan, and Amur Regions, and the Republic of Sakha (Yakutia).

Polyus fully understands that as a major mining company we have a significant impact on our regions of operation, and we work hard to improve people's lives and to contribute towards the economic growth and social development of local communities. The Company's efforts in this area include programs aimed at infrastructure development, applying effective approaches to environmental management, and the implementation of charity initiatives.

POLYUS TODAY

GRI 102-1

In everything we do, we adhere to the key principles of responsible mining and sustainability. We strive to create a Company that consistently delivers first-class business, and extracts gold by maximizing efficiency and applying top-class management, technological, and environmental solutions while at the same time ensuring safe working conditions. As an industry leader, we embed the principles of sustainability into our values, strategy and operations. Guided by these principles in our daily operations, we seek to ensure the well-being of our people and communities, establish mutually beneficial partnerships with stakeholders, and improve the economic, social, and environmental aspects of our business. We advocate for responsible mining that takes account of stakeholders' needs and expectations. Continuous stakeholders' engagement allows us to anticipate and react to emerging concerns as well as maintain cooperative relationships.

OUR MISSION

When producing gold, our Company contributes to prosperity and technological progress within Russia. In order to attain our goals, we adhere to best-in-class industry practices and standards. We are determined to fulfill our mission in the most efficient and responsible way and to create additional value for all our stakeholders, alongside caring for the environment and providing safe working conditions.

OUR VALUES

Polyus' values are the guiding work principles for all our employees, and motivate our Company to achieve high level of performance. Our key values comprise:

- Efficiency
- Safety
- Cooperation
- Development
- Sustainability
- Professionalism



KEY

-  Operating mines
-  Projects at exploration stage

¹ Hereinafter, green boxes refer to the indicator of the GRI Standard disclosed in this part of the Report. For full set of GRI Standards disclosed in the Report see GRI Content Index, page 142



OLIMPIADA AND BLAGODATNOYE

- Location: Krasnoyarsk Territory
- 57% share of the Company's gold output
- Olimpiada 45%, Blagodatnoye 17% - of adjusted EBITDA
- 5,649 average headcount
- \$4.6 million - expenditure on social support activities for the region
- 1,285 total GHG emissions, kt CO₂-e



ALLUVIALS

- Location: Irkutsk Region
- 6% share of Company's refined gold
- 3% of adjusted EBITDA
- 2,914 average headcount
- \$1.06 million - expenditure on social support activities for the region
- 84 total GHG emissions, kt CO₂-e



VERNINSKOYE

- Location: Irkutsk Region
- 11% share of Company's refined gold
- 10% of adjusted EBITDA
- 1,204 average headcount
- \$750 thousand - expenditure on social support activities for the region
- 112 total GHG emissions, kt CO₂-e



KURANAKH

- Location: Republic of Sakha (Yakutia)
- 9% share of Company's refined gold
- 8% of adjusted EBITDA
- 1,740 average headcount
- \$155 thousand - expenditure on social support activities for the region
- 275 total GHG emissions, kt CO₂-e



NATALKA

- Location: Magadan Region
- 18% share of Company's refined gold
- 16% of adjusted EBITDA
- 1,785 average headcount
- \$1.5 million - expenditure on social support activities for the region
- 162 total GHG emissions, kt CO₂-e



SUKHOI LOG

- Location: Irkutsk Region
- Exploration and verification drilling completed
- Feasibility study ongoing

OUR BUSINESS MODEL

Our business model encompasses the entire gold production cycle: from exploration, mining and processing to the sale of refined gold and rehabilitation of the natural environment. Our growth ambitions are supported by rigorous cost management and a proactive approach to sustainability.

INPUTS

FINANCIAL

Our prudent financial policy aims to strike a balance between carefully selected investments for growth and appropriate cash returns to our shareholders.

INTELLECTUAL

Our extensive knowledge base is underpinned by our in-depth technical expertise, sound corporate governance structure and robust internal control systems.

NATURAL

To minimize the environmental impact of our activities, we are committed to developing our extensive resources as safely and sensitively as possible.

OPERATIONAL

We focus on continuous improvement through the smart growth of brownfield sites and the development of highly efficient greenfield projects.

HUMAN

We recognize our talented and motivated employees through incentive schemes and continuously improving work, social and recreational conditions.

SOCIAL

We aim to provide a safe and healthy environment for our workforce – and we support a variety of social and charitable projects in our communities.

PROCESSES



The following pages contain details of our strategy, the risks we have identified and the governance structure that supports our operations.

STRATEGY

Our strategy focuses on value creation through organic growth and ongoing focus on efficiency improvement. This is accomplished through the efficient execution of expansion projects and the development of new gold deposits.

> See page 20

1 EXPLORATION AND EVALUATION

Our experienced and knowledgeable exploration teams focus on identifying high-grade, substantial assets that will deliver maximum profitability.

2 DEVELOPMENT

With a proven track record of asset optimization and project management expertise, we convert our reserve base into efficient gold production.

3 MINING AND PROCESSING

Our highly qualified mining specialists combine their technical knowledge with state-of-the-art process automation for maximum operational efficiency.

4 PRODUCTION

A focus on operational excellence and rigorous cost control across all our operations enables us to consistently deliver increases in gold production.

5 SALES OF REFINED GOLD

Doré and slime gold from our mines is refined into bullion and sold principally to Russian commercial banks via a fully transparent sales process.

6 MINE CLOSURE AND LAND RECULTIVATION

Our commitment to sustainability encompasses the comprehensive rehabilitation of the environment at the end of a mining asset's life.

VALUE CREATION**INVESTORS**

Our principal focus is on maximizing returns for our shareholders, and communicating openly about our strategy, governance, sustainability, operations and performance.

30%

Total dividend pay-out for the reporting year, provided that the net debt/adjusted EBITDA ratio for the previous 12 months is below 2.5x.

**EMPLOYEES**

Our people are the key contributors to our success – and the foundation for our future progress. We therefore invest in our employees throughout the length of their careers.

20,385

Average number of employees in 2020.

**COMMUNITIES**

We provide employment for local communities – as well as business for local suppliers. Our capex projects construct, develop and enhance local infrastructure.

>50.6

Investment in social projects in 2020, \$ million

**PARTNERS**

With a presence in several Russian regions, we create lasting and mutually beneficial relationships with a range of global, domestic and local partners.

34%

Share of procurement from local/regional suppliers in 2020.

**GOVERNMENTS**

We work to create and develop enduring social infrastructure and social/economic partnerships with government and regulatory bodies.

645

Taxes paid in 2020, \$ million

RISKS

Effective risk management underpins the successful execution of our strategy and influences our future planning. The identification, assessment, management and mitigation of risks are fundamental to our success.

> See page 21

GOVERNANCE

Our robust corporate governance systems create the right environment for effective decision-making. They encompass all aspects of accountability, performance and responsibility across the business.

> See page 24

OUR FY 2020 SUSTAINABILITY PERFORMANCE

In 2020, Polyus continued to implement initiatives to meet sustainability goals and to make our business more successful in the mining industry.

KEY FIGURES, 2020

COMPANY REVENUE, BILLION	TOTAL GOLD PRODUCED, KOZ	EMPLOYEES UNDERWENT TRAINING ON ANTI-CORRUPTION COMPLIANCE ²
\$5.0	2,766	~6,000
EMPLOYEES AVERAGE HEADCOUNT	EMPLOYEES RECEIVED TRAINING	LTIFR
20,385	104% ¹	0.10
REDUCTION IN CARBON INTENSITY VS 2018	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURE ³ , MILLION	OF WATER RECYCLED AND REUSED
28%	\$8.5	93.47%
ALLOCATED TO SOCIAL SUPPORT ACTIVITIES, MILLION	TAX AND LICENCE PAYMENTS REMITTED TO THE FEDERAL BUDGET, MILLION	CHARITY AND SPONSORSHIP PROJECTS IMPLEMENTED IN OUR REGIONS OF OPERATION
\$50.6	\$645	73

¹ The number excludes a double-counting of employees that transferred from one category to another during the year and received educational training in various categories.

² In 2020, 1,644 employees completed the course, which makes in total about 6,000 employees from 2018 to 2020.

³ Considering the 2020 average weighted rate (rubles/US dollar) that amounts to 72.15.

POLYUS IN ESG RATINGS 2020



WWF AND THE UN

In 2020, Polyus took third place in the annual Russian Metals and Mining Companies Environmental Transparency Rating, sharing first place in two sections of the rating, Environmental Management and Information Disclosure.

S&P Global S&P GLOBAL CSA (FORMER SAM CSA)

- Company score: 54 (up from 45 in 2019)
- Percentile ranking: 72 (up from 63 in 2019)



MSCI

MSCI ESG RATING

A (up from BBB in 2019) in early 2020



SUSTAINALYTICS

27.5 as for April 2021 medium risk (on a scale from 0 to 100 where 100 is the highest level)



CDP CLIMATE CHANGE

C (up from D in 2019)



CDP WATER SECURITY

C (up from D in 2019)

OUR AWARDS IN 2020



Based on its 2020 performance, Polyus was included in the lists of leaders of two RSPP⁴ indices: Responsibility and transparency and Sustainable development vector.



- Polyus won the Best Corporate by Large Capitalization Investor Relations Russia 2020 awards.
- Polyus was awarded second place in the 'Best ESG Corporate in Russia' 2020 awards.

BUSINESS UNIT AWARDS

- At the end of 2019 Polyus Magadan won in the competition "Patron of the Year in Magadan" in the category Supporting Socially Significant Projects.
- At the end of 2019 Polyus Verninskoye took first place in the "Economic entities' rating of the Irkutsk Region" in the category Metallurgical Complex, for our significant contribution to the socio-economic development of the region.

MANAGEMENT AWARDS⁵

- Mikhail Stiskin, PJSC Polyus Senior Vice President of Finance and Strategy, came third in the category Best Russian CFO – 2020.
- Viktor Drozdov, Director of Business Communications and Relations within the Investor Relations Department of PJSC Polyus, was recognized as the best investor relations professional in Russia for 2020.

⁴ Russian Union of Industrialists and Entrepreneurs.

⁵ Polyus' management was presented with awards in several categories in the Moscow Exchange and Institutional Investor Awards.

OUR SUSTAINABILITY JOURNEY

Over the years, Polyus has made great progress towards the development of occupational health, safety, environmental protection, business ethics and personnel management practices. We adopt a responsible approach towards achieving our goals and creating long-term value. Today our Company is a leader in both Russian and global markets.

We have done our utmost to ensure that our work fully accords with the principles of sustainability.

2012

- The Company's first sustainability report prepared and independently assured

2013

- Stakeholder Engagement Policy and Human Rights Policy developed

2014

- Launch of full-scale safety culture improvement program, with a focus on behavior audits, risk assessment and root cause analysis
- Safety committees set up

2015

- Sustainability Management System complying with IFC and ICMM requirements formalized
- Sustainability Working Group established

2016

- Comprehensive suite of health, safety, environment and social-related internal policies and standards developed

2017

- ICMM Independent Expert Review successfully concluded and ICMM membership confirmed
- UN Sustainable Development Goals assessed for alignment

2018

- Automated HSE data and process management system launched
- Integrated HSE management system certified under ISO 14001 and ISO 45001

2019

- Focus on improving transparency on ESG issues by increasing information about sustainability on the Company's website and widening the scope of sustainability reporting
- First ISO energy management certification 50001 achieved at Polyus Verninskoye

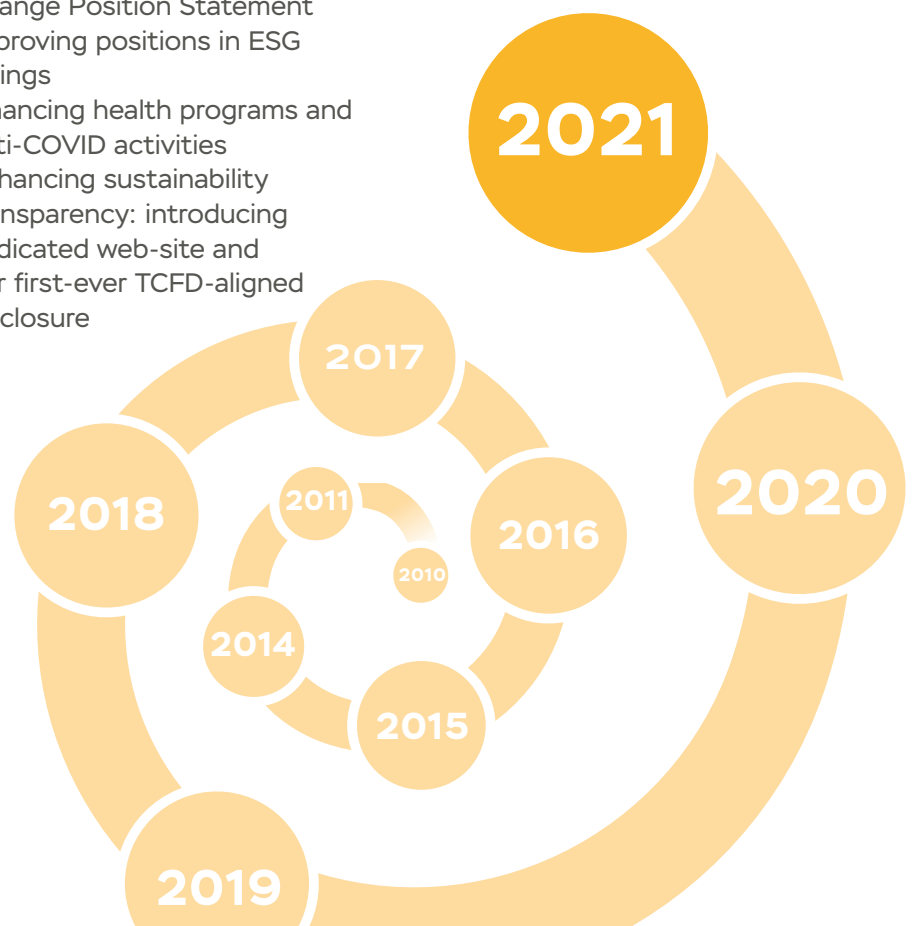
2020

- Launch of Polyus' Climate Change Position Statement
- Improving positions in ESG ratings
- Financing health programs and anti-COVID activities
- Enhancing sustainability transparency: introducing dedicated web-site and our first-ever TCFD-aligned disclosure

2021

(projected)

- Introducing Polyus' climate strategy and carrying out a more profound assessment of climate risks
- Ensuring epidemiological safety for employees
- Improving the Company's organizational model
- Conducting our first-ever Human Rights Due Diligence study





OUR APPROACH TO SUSTAINABILITY

Sustainability is an integral part of Polyus' operations, activities, and corporate culture. We firmly believe that adopting a responsible approach to conducting our mining business will create and foster economic, environmental, and social prosperity and help us generate and deliver maximum value for our stakeholders.

- 20 How we manage sustainability**
- 26 Commitment to UN Global Compact Principles**
- 27 Contribution to the UN Sustainable Development Goals**
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HOW WE MANAGE SUSTAINABILITY

At Polyus, we believe that the integration of sustainability principles into our business processes is a prerequisite for the Company's development and success. When making strategic decisions, we always consider the views of our stakeholders and the potential impacts of our decisions on people and the environment.

Polyus strives to maximize the efficiency of its sustainability management practices. Within the Company's sustainability management system, our practices are founded on corporate policies and standards on various sustainability issues, including human rights and ethics, charity initiatives, engagement with local communities, and environmental and occupational safety.

SUSTAINABILITY MANAGEMENT SYSTEM

An integral element of our operating model is the Polyus' sustainability management system (SMS), which sets out sustainability requirements at all key stages of the Company's management cycle: from planning and goal-setting to managing improvements, as well as the entire life-cycle of the Company's assets, from geological exploration to mine closure.

The system has been developed in accordance with and based on international standards and recommendations, including the International Finance Corporation (IFC) Performance Standards 1-8, the principles of sustainable development, and the program statements of the International Council on Mining and Metals (ICMM).

SUSTAINABILITY STRATEGIC OBJECTIVES

In order to ensure that consistent actions are taken that significantly contribute to Polyus' sustainability, five strategic goals have been determined by the Company for the period 2020–2027.

1 Achieving sustainable growth in production while at the same time effectively managing environmental and social risks at each stage of an asset's life cycle: exploration, design, extraction and enrichment, closure, and rehabilitation.

2 Attaining excellent financial results and complying with the principles of sustainability in our operations.

3 Achieving a zero-injury rate through implementing a best-in-class safety culture.

4 Being a reliable partner, including for local communities in our regions of operation, and conducting open dialogues with stakeholders, always taking their interests and views into account during decision-making.

5 Developing a team of professionals that will help the Company achieve a leading position in the industry, while at the same time complying with sustainable development principles.

In order to effectively organize work in the field of sustainability, in 2021 Polyus updated its corporate strategy. The Company's development strategy is based on six key areas, which working in combination allow us to achieve business sustainability.

For 2021, Polyus has set the following goals to re-align our priorities within the corporate strategy:

- raising ESG requirements;
- increasing operating efficiency;
- launching new Greenfield projects;
- increased competition for geological assets; and
- an option for Olimpiada to go underground.

SUSTAINABILITY DOCUMENT FRAMEWORK

Polyus has developed a set of internal corporate documents that regulate its sustainability practices and manage the risks associated with them.

The main document governing our sustainability practice is the sustainability management system standard. This regulates the organization of the system, including key priority areas and the allocation of responsibilities.

Specific aspects of sustainability, such as stakeholders' engagement and ensuring the safety of tailings, are regulated by separate corporate documents. This allows for an integrated approach, which helps ensure that all areas of sustainability are covered.

See our corporate website for more details about our sustainability document framework.

SUSTAINABILITY RISKS MANAGEMENT

GRI 102-15 · GRI 102-29

GRI 102-30

Nowadays, businesses – including our own – often deal with the issue that while some operations may be beneficial from an economic point of view, they still bring ambiguous environmental or social consequences. We believe it is our responsibility to consider the existence of sustainability risks and opportunities, and address them ethically and responsibly throughout our business.

Polyus has a risk management and internal control system in place (please see the section ‘Principal risks and uncertainties’ in the Annual Review). The system is meant to identify, assess, take actions, control, raise awareness of and monitor various risks that our business faces.

The Responsibility for the risk management and internal control system is shared by both management and Company employees. The Audit Committee of the Board of Directors and the CEO ensure that the system is reliable and that the measures taken to control and mitigate risks are the most effective in any given circumstance.

Risk assessment is performed under various headings (e.g. health and safety, financial impact etc.). Particular attention is given to any potential impact that a project or initiative could have on relationships with stakeholders (please see the section ‘Stakeholder engagement’ on page 44). While evaluating the potential impact the Company always considers:

- the interests of stakeholders, including vulnerable and disadvantaged groups, who may affect or be affected by the project the Company is considering;
- potential conflicts that could jeopardize the project or could arise in consequence of a particular project; and
- opportunities and relationships that can be built as part of the implementation of the project.



The UN Sustainable Development Goals, and the ESG values they embody, are the inspiration for Polyus’ business transformation. As a proud member of the International Council on Mining and Metals (ICMM), we take every opportunity we can to develop our industry in a sustainable and

principled way. We are reinforcing our ESG reporting in response to demand from our stakeholders. For example, in response to a specific request, we have produced our first dedicated Water Report. Similar reports are planned on topics such as tailings storage and adaptation to climate change. At Polyus, transparency and accountability are driven simultaneously from the top – by a committed leadership – and from the bottom, by staff who bring to life the Company’s values, culture, and practices.”

DARIA GRIGOREVA

HEAD OF SUSTAINABILITY, ICMM ENVIRONMENTAL
COMMITTEE DEPUTY CHAIR

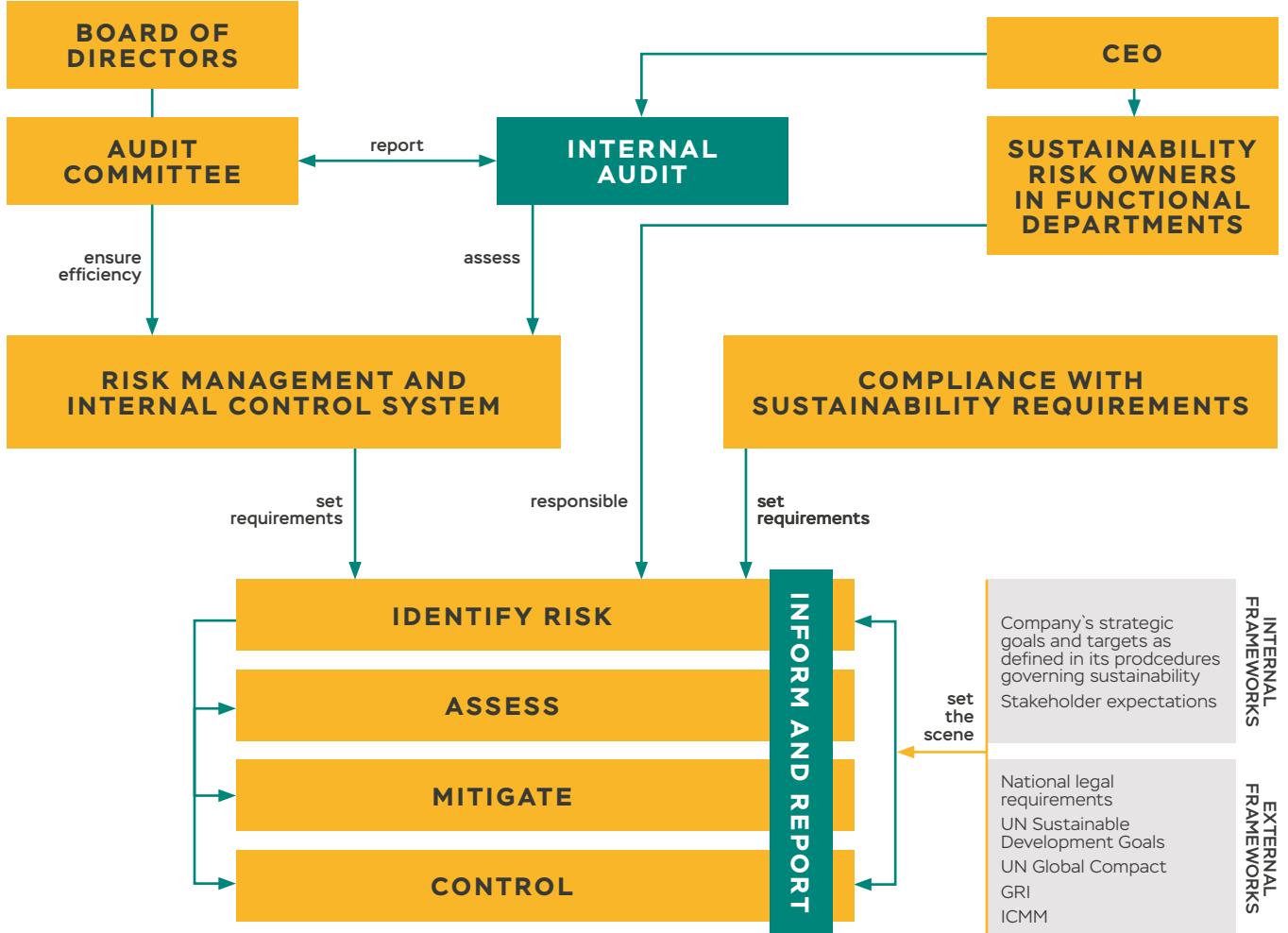
HOW WE MANAGE SUSTAINABILITY CONTINUED

POLYUS' SUSTAINABILITY RISKS

TOP SUSTAINABILITY RISKS		
ESG area affected	Risk	Where to learn more about the risk
Environment		
Negative impact on environment Negative environmental impact possible environmental damage, potential harm to flora and fauna Interruption of operations due to climate change implications	OPERATIONAL RISKS	Sustainability Report, Environmental stewardship Sustainability Report, TCFD disclosure Annual Review, Principal risks and uncertainties
Health and safety		
Diseases, accidents and injuries at worksites Workplace safety, including compliance with occupational safety and health requirements and responsibility and duty of the employer Mining risks, in particular pit wall failures	OPERATIONAL RISKS	Sustainability Report, Health and safety Annual Review, Principal risks and uncertainties
Supply chain		
Failure to meet supply chain management objectives Failure to meet supply chain management objectives due to untimeliness of delivery, poor-quality equipment provision or logistic constraints	OPERATIONAL RISKS	Annual Review, Principal risks and uncertainties
Human capital		
Rising competition for qualified personnel, including technical experts Difficulties in recruiting sufficient number of skilled employees and contractors	OPERATIONAL RISKS	Sustainability Report, Human capital Annual Review, Principal risks and uncertainties
Local communities		
Government relations Failure to support social and economic development in the regions where we work, which is necessary in order to maintain beneficial cooperation with state authorities	COUNTRY AND REGIONAL RISKS	Sustainability Report, Local communities Annual Review, Principal risks and uncertainties
Corporate governance		
Non-compliance with legal requirements and internal regulations Non-compliance with operational procedures, ineffective change management or corporate fraud	LEGAL RISKS	Annual Review, Corporate governance Annual Review, Principal risks and uncertainties
Politics		
Increase of international pressure on the Russian Federation Risk related to unpredictability of contextual changes at the country and global level, including sanctions imposed or changes in Russian and supranational regulations	COUNTRY AND REGIONAL RISKS	Annual Review, Principal risks and uncertainties

The sustainability risk register is, of course, much broader. There are also other sustainability risks which we assess but which do not have a significant influence on our performance. We are gradually improving our risk management and internal control system and intertwining it with ESG issues and the climate change agenda to meet the expectations of socially responsible investors, networks involved in developing sustainability and other stakeholders.

MANAGEMENT OF SUSTAINABILITY RISKS



SUSTAINABILITY GOVERNANCE

Sustainability management is embedded into the Polyus corporate governance system. Responsibility for managing sustainability within the Company's activities is distributed and allocated at all organizational levels of the Company

> See more in our [Annual Review](#).

HOLDING COMPANY LEVEL

The Board of Directors is responsible for establishing the strategic directions and key focus areas of the Company's sustainability practices. It also responsible for final sign-off of non-financial reporting on sustainability and annual reviews of Polyus' sustainability management results.

Board Committees ensure the effectiveness of the Board's activities in the fields of reporting and disclosure, risk management, audit, nominations, remuneration, and strategy and operations.

MANAGING COMPANY LEVEL

The CEO is responsible for monitoring the development of Polyus' sustainability management as well as for the allocation of sustainability-related responsibilities among functional divisions. The Central Safety Committee ensures that timely measures are taken to provide industrial and occupational safety and to prevent threats to environmental safety. In order to do this, the Committee conducts continuous analysis and assessments of the Company's occupational safety and environmental protection activities.

The role of the Sustainability Working Group is to integrate sustainability considerations into the operational activities of the Company.

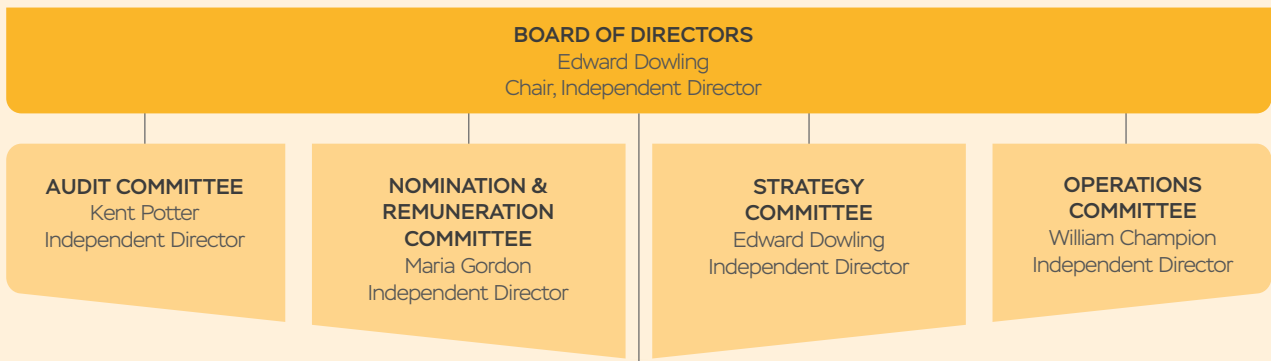
OPERATIONAL LEVEL

There is an integrated HSE management structure in place at each Polyus business unit and support service. HSE Directors report directly to the General Directors of each Business Unit and Support Service, and the HSE&SD Director at Managing company level. Each business unit has a safety committee, which performs functions similar to those of the Central Safety Committee.

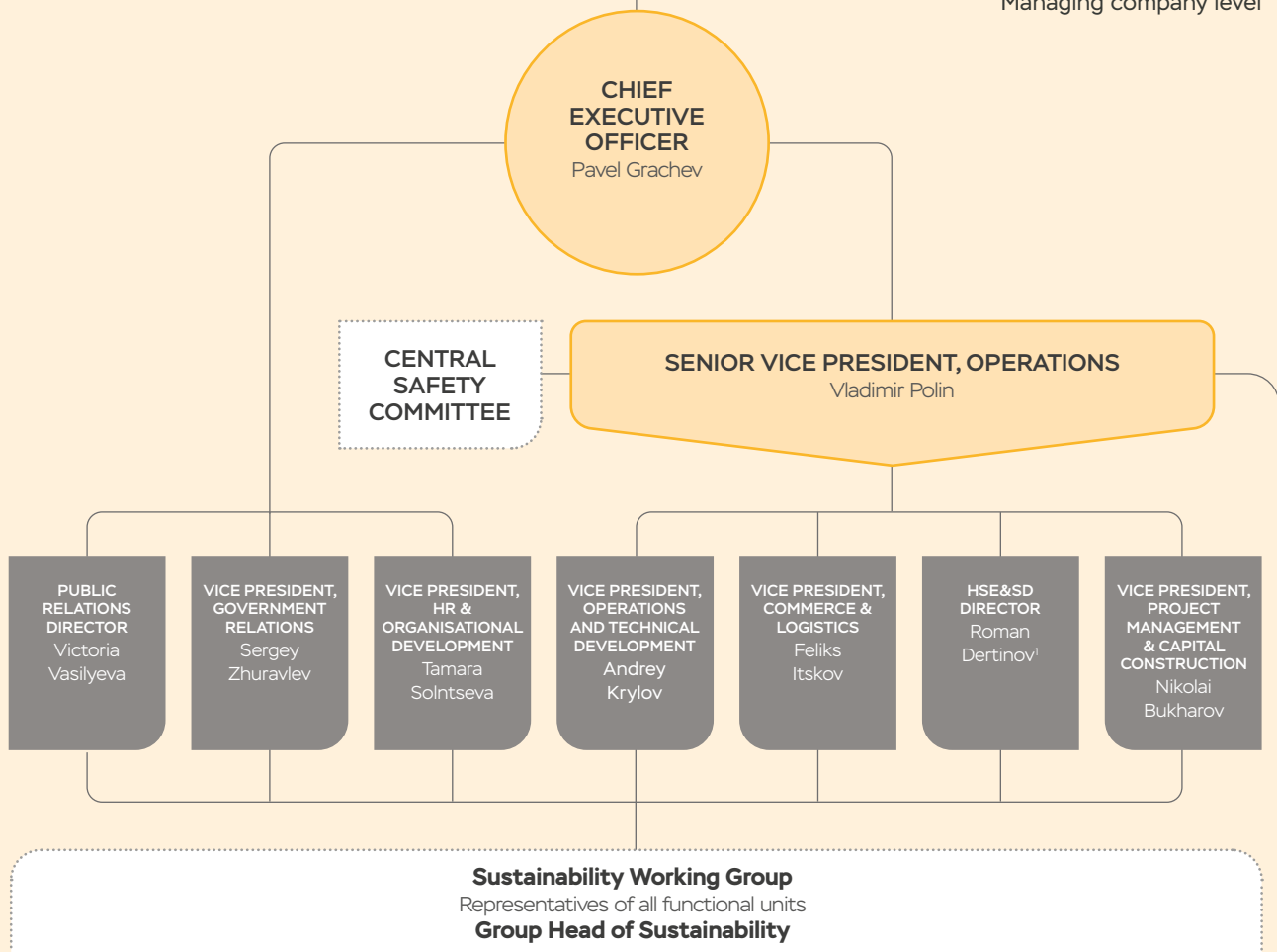
¹ Roman Dertinov held the position until November 2020 due to his retirement from the Company.

The company's sustainability governance structure

Holding company level



Managing company level







Operational level



COMMITMENT TO THE UN GLOBAL COMPACT PRINCIPLES

The principles of sustainability have always underpinned the work of Polyus. In March 2019, we officially joined the UN Global Compact initiative and we continue to work within this framework. The 10 principles of the Global Compact include supporting and respecting the rights and interests of employees, as well as internationally recognized human rights, environmental protection, and combating corruption in all its manifestations. Our commitment to these principles is reflected in the material issues that the Company has identified as being the most important and relevant to its operators.

In recent years, Polyus has made substantial progress towards improving our management processes in HR administration, HSE, and local community relations. Also, in accordance with the established principles of the UN Global Compact, the Company sets new performance standards, updates internal policies, and progressively raises the level of information disclosure in the field of sustainability.

PRINCIPLE	AREA/SECTION
1 Businesses should support and respect the protection of internationally proclaimed human rights	 Human rights Ethics and human rights, see page 30.
2 Businesses should make sure that they are not complicit in human rights abuses	 labor Human capital, see page 54.
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	 Environment Environmental stewardship, see page 88.
4 Businesses should uphold the elimination of all forms of forced and compulsory labor	 Anti-Corruption Ethics and human rights, see page 40.
5 Businesses should uphold the effective abolition of child labor	
6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	
7 Businesses should support a precautionary approach to environmental challenges	
8 Businesses should undertake initiatives to promote greater environmental responsibility	
9 Businesses should encourage the development and diffusion of environmentally friendly technologies	
10 Businesses should work against corruption in all its forms, including extortion and bribery	

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS



THE GLOBAL GOALS For Sustainable Development

Polyus supports the United Nations Sustainable Development Goals (SDGs) adopted in 2015 by the UN General Assembly. We regularly map our sustainability practices to the Goals and take specific actions on those SDGs, where we can deliver value. We recognize the importance of all 17 Goals, but prioritize eight, as the areas in which our Company has the greatest impact on society. In our activities, we focus on specific targets within these Goals so as to maximize our positive contributions.

We believe that through the SDGs we can develop a strong sustainability culture and showcase our sustainability commitment to investors, shareholders, and other stakeholders. Furthermore, we believe that by supporting the UN agenda on SDGs we can contribute to a more sustainable and resilient future for all.

ESG considerations have already become an important aspect of our operations. To make our Company's performance more efficient, we have integrated ESG requirements into our corporate strategy, and we plan to further boost our Company's ESG profile.

In 2021, Polyus will review and refresh its overall corporate strategy and review the list of relevant SDGs to ensure it remains up to date.



Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, high-quality, and affordable essential medicines and vaccines for all.



Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

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

Our commitment

- Strictly monitor workplace safety and health.
- Provide medical services to employees.

Our commitment

- Provide accessible learning opportunities for employees.
- Collaborate with universities and learning experts.
- Organise training programs for students and graduates.

2020 highlights

- Polyus introduced the COVID-19 testing program for employees, [see page 37](#).
- The Company focused on eliminating four main types of risks to achieve effective injury prevention and a zero accident rate, [see page 78](#).

2020 highlights

- Polyus held an Open Dialogue meeting with students and teachers at the Siberian Federal University on financial, tax, HR, and IT topics, [see page 62](#).

\$155 million

SPENT ON COVID-RELATED ACTIVITIES

>100

STUDENTS TOOK PART IN POLYUS INTERNSHIPS

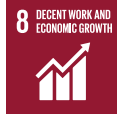
OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS CONTINUED



Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 7.1. By 2030, ensure universal access to affordable, reliable, and modern energy services.

Goal 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.



Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

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



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

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

Our commitment

- Undertake energy audits and boost energy efficiency.
- Develop the energy infrastructure in Polyus' regions of operation.

Our commitment

- Provide employment opportunities and make an economic contribution in our regions of operation.
- Guarantee decent working conditions for all employees.

Our contribution

- Develop infrastructure facilities in our regions of operation as part of social partnership programs with regional authorities.

2020 highlights

- Polyus commissioned the Ust-Omchug-to Omchak Novaya 220-kV powerline, [see page 115](#).
- Polyus completely eliminated internal energy generation from heavy hydrocarbons, [see page 111](#).

2020 highlights

- The Company updated its Human Rights Policy, [see page 56](#).

2020 highlights

- Polyus invested financial resources to repair hospitals in our regions of operation, [see page 120](#).
- Polyus improved sports and children's infrastructure in our regions of operation, [see page 120](#).

76%

SHARE OF RENEWABLE ENERGY IN ELECTRICITY GENERATION

95.92%

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS IN 2020

>50.6

ALLOCATED ON SOCIAL SUPPORT ACTIVITIES, \$ MILLION



Goal 12: Ensure sustainable consumption and production patterns

Goal 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

Goal 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Our contribution

- Ensure the rational use of natural resources.
- Work with only responsible suppliers of goods and services.

2020 highlights

- Polyus Verninskoye underwent a certification audit in the field of cyanide management, [see page 98](#).
- Polyus optimized management processes at landfills for industrial and household waste, [see page 98](#).

\$8.5 million

SPENT ON ENVIRONMENTAL ACTIVITIES



Goal 13: Take urgent action to combat climate change and its impacts

Goal 13.2. Integrate climate change measures into national policies, strategies, and planning.

Our commitment

- Reduce greenhouse gas emissions through a gradual transition to renewable energy sources.
- Boost the energy efficiency of the Company's activities.

2020 highlights

- Polyus introduced the Company's position on climate change, [see page 110](#).

28%

REDUCTION IN CARBON INTENSITY VS 2018



Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable developments

Goal 17.16. Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the attainment of sustainable development goals in all countries, in particular developing ones.

Our commitment

- Support sustainability initiatives promoted by the Russian and global community.
- Collaborate with peers.
- Build mutually beneficial relations with local authorities.

2020 highlights

- As an ICMM member, Polyus participated in developing a Global Industry Standard on Tailings Management, [see page 30](#).
- Polyus environmental specialists participated in the XVIII All-Russian Congress on Environmental Protection and Ensuring Environmental Safety: State Regulation 2020: [see page 88](#).

6

INDUSTRIAL ASSOCIATIONS IN WHICH POLYUS IS REPRESENTED

ICMM MEMBERSHIPS



ICMM
Partnerships
for Development

Since 2015, Polyus has been a member of the prestigious International Council on Mining and Metals (ICMM), which focuses on developing a responsible approach to mining. The Company is aware that effective business management is enhanced by multilateral cooperation and that membership of the ICMM helps Polyus to successfully tackle environmental and social challenges in the business environment. The Company views working with the ICMM as an excellent way to contribute to global sustainability objectives. We are keen to continue working together and to support ICMM initiatives.

Our work with the ICMM is carried out within thematic committees on different material issues. Each material issue has a dedicated working group which develops and updates programs of action. The Company's representative on the ICMM Principal Liaisons Committee is the Head of Sustainability, Daria Grigoreva, while the CEO of Polyus, Pavel Grachev, represents the Company on the ICMM Board of Directors. In 2020, the most intensive work was carried out by the Environment Program Committee. We are proud to report that in March 2021 Daria Grigoreva became Deputy Chair of the Environment Program Committee.

KEY COLLABORATIVE ACTIVITIES BETWEEN POLYUS AND THE ICMM

Polyus endeavours to implement initiatives that promote the principles and values of sustainability in the mining industry. We actively participate in developing best industry practices, which in turn will help other companies achieve healthy progress in their own businesses.

Global Industry Standard on Tailings Management

In 2020, work to develop the ICMM Global Industry Standard on Tailings Management was successfully completed. All ICMM members are committed to observing the new standard. In early 2021, Polyus created an internal working group to address the organizational matters related to implementing the Standard in 2021.

Along with the Global Industry Standard on Tailings Management, our Company helped draw up a practical guide on how to implement the Standard. This document contains working examples and tools that companies need to apply in order to implement the Standard in their business processes effectively.

In 2020, our Company also actively worked on the implementation of an ICMM initiative to create a 'conformance protocol' – a checklist for companies wishing to observe the requirements of the new standard. At Polyus, we have a track record of sharing our expertise with others, and with this protocol, companies will be able to assess how they are progressing toward introducing the global standard in their operations.

In 2021, within the framework of the working group, our main task will be to develop a plan to implement the new standard. For the latest information, please visit our corporate website.



¹ Stakeholder engagement.

Proposal to the UN Convention on Biodiversity

In February 2020 the ICMM, together with participating companies, submitted a proposal to the UN Convention on Biological Diversity. The proposal relates to a post-2020 action plan to integrate biodiversity issues into the activities of various industrial sectors. As a member company, Polyus was directly involved in the preparation of this proposal and is ready to contribute to its further expansion. Polyus, as a company whose activities involve the extraction of resources and the use of ecosystems, fully recognizes the role of the mining industry in conserving biodiversity. Hence, we support efforts under the UN Convention on Biological Diversity to establish a global biodiversity program beyond 2020.

Building Forward Better framework

In 2020, in collaboration with the ICMM, we also worked closely on building sustainable communities, including helping communities bounce back from the COVID-19 pandemic. In September the ICMM, in partnership with the Business Fights Poverty network and international NGO The Partnering Initiative, published the Building Forward Better framework, which aims to provide a link between short- and long-term measures for supporting the sustainable development of society. The framework also provides companies with practical tools and resources that can help them deal with the pandemic and identify optimum ways to achieve growth. Polyus fully supports this program as an example of a joint initiative that contributes to positive changes in the industry and the global economy.

IMPLEMENTING THE ICMM'S PERFORMANCE EXPECTATIONS

In 2020, we planned to conduct a self-assessment of our implementation of ICMM Performance Expectations, at a corporate level and at all business units. However, due to COVID-19 we agreed with the ICMM to conduct a self-assessment only at a corporate level, and to postpone a full assessment until 2021. Based on the 2020 analysis, the Company's activities comply with 15 Corporate Performance Expectations, out of 29 analyzed. A further 13 Expectations were partially met, and one was not applicable.



OUR MATERIAL ISSUES

36 Response to COVID-19



40 Ethics and climate change



54 Human capital



72 Health and safety



88 Environmental stewardship



106 Energy and climate change



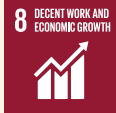










116 Local communities



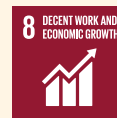
OUR MATERIAL ISSUES

Polyus aims to ensure progress in all areas relevant to our activities. When determining materiality, we also pay a special attention to the voices of our internal and external stakeholders. Due to the rapid spread of COVID-19, the pandemic became a material topic in 2020 and was incorporated into our traditionally responsible approach to ensuring health and safety. For Polyus, it is important that our sustainability practices help us to reinforce our ESG portfolio and our positions in ESG ratings. The topics presented in the table below are those aspects of activity where we have boosted our S&P Global CSA rating. We do not stop there, though; we have ambitious further goals in these areas for the future.

AREA OF POLYUS' COMMITMENTS	ETHICS AND HUMAN RIGHTS	HUMAN CAPITAL	HEALTH AND SAFETY
UN SUSTAINABLE DEVELOPMENT GOALS		 	
ICMM PRINCIPLES	 № 1. Ethical business  № 3. Human rights  № 10. Stakeholder engagement	 № 2. Decision-making  № 10. Stakeholder engagement	 № 4. Risk management  № 5. Health and safety
ICMM POSITION STATEMENTS	Mineral revenues Partnerships for development		
UN GC PRINCIPLES	№ 1-2. Human Rights № 10. Anti-corruption	№ 3-6. Labor	
GLOBAL REPORTING INITIATIVE STANDARDS	201: Economic Performance 205: Anti-corruption 207: Tax (new) 405: Diversity and Equal Opportunity 415: Public policy	202: Market Presence 401: Employment 404: Training and Education 407: Freedom of Association and Collective Bargaining 419: Socioeconomic Compliance	403: Occupational Health and Safety
IMPACT ON ESG SCORE (INCREASE IN SAM RATING IN 2020)	Significant improvement of ESG score Corporate governance Codes of Business Conduct Human rights	Significant improvement of ESG score Talent attraction and retention	Significant improvement of ESG score Labor practice indicators Occupational health and safety
ADDITIONAL TOPICS FOR 2020	Response to COVID-19, more information on pages 36 – 39	Response to COVID-19	Emergency preparedness Response to COVID-19
PAGE OF THE SUSTAINABILITY REPORT	40	54	72

ENVIRONMENTAL
STEWARDSHIPENERGY AND CLIMATE
CHANGE

LOCAL COMMUNITIES



№ 7. Conservation of biodiversity



№ 8. Responsible production



№ 6. Environmental performance



№ 6. Environmental performance



№ 9. Social performance

Water stewardship
Tailings governance
Protected areas

Climate change

Indigenous peoples

№ 7-9. Environment

303: Water
304: Biodiversity
305: Emissions
306: Effluents and Waste
307: Environmental Compliance

302: Energy
305: Emissions

203: Indirect Economic Impacts
204: Procurement Practices
413: Local Communities

Significant improvement of ESG score
Environmental reporting
Environmental policy and management systems
Mineral water management
Water-related risks

Mild improvement of ESG score.
Polyus aims at increasing and reinforcing its position on this topic
Operational efficiency

Significant improvement of ESG score
Social reporting
Social impacts on communities

Safety of tailings
Response to COVID-19

Response to COVID-19

88

106

116

RESPONSE TO COVID-19



COVID-RELATED EXPENSES \$ MILLION

155

PCR-TESTS, THOUSAND

>187

ELISA TESTS (IGG + IGM) FOR EMPLOYEES AND CONTRACTORS, THOUSAND

>31

PPE ITEMS PURCHASED, MILLION

>8.1

KEY EVENTS:

- Introduction of the COVID-19 testing program for employees.
- Establishing a \$13.9 million fund to finance activities to prevent the spread of COVID-19 in the Russian Far East.

The global crisis of 2020 caused by the COVID-19 pandemic posed a serious challenge to Polyus and required urgent measures that entailed a reorganization of operating assets, with a view to preserving both the safety of all stakeholders and economic stability. Timely actions to prevent the spread of COVID-19 and manage associated risks allowed us to carry out our activities without interruption, albeit we had to postpone or reorganize several previously planned projects. Some key investment projects were affected: feasibility study results for Mill -5 at the Blagodatnoye complex and pre-feasibility study results for Sukhoi Log were put off until the second half of 2020.

Taking proactive measures enabled us to preserve the sustainability of our activities. In order to prevent interruptions to operations and to mitigate risks related to procurement processes, Polyus increased inventory stocks. Deliveries of consumables

and doré gold to refineries were not disrupted and proceeded in accordance with their respective plans. Supplies of equipment and spares from Russian and Chinese partners were also unaffected; however there were interruptions to non-critical equipment unit deliveries from our suppliers in the United States and Europe. The provision of services by our contractors was also impacted by flight restrictions and self-isolation requirements. Such services included important areas related to engineering, drilling, and construction.

The safety and health of our employees and local communities remains a key priority for Polyus. At the moment, measures for countering COVID-19 remain in force at all Polyus enterprises, and the Company actively interacts with health experts and government emergency response services to ensure a proactive approach to any changes in the epidemiological situation.

SAFETY MEASURES

In 2020, Polyus introduced a number of protocols to combat the spread of the COVID-19 among our staff, and actively supports infected employees to ensure their successful recovery. We strictly adhere to current recommendations from federal and regional medical services, and also implement our own initiatives to minimize the risk of COVID-19 infections within the Company.

INITIAL PREVENTION PROCEDURES

Polyus began paying close attention to the COVID-19 situation at an early stage. As the virus spread, we promptly introduced a set of measures to protect our people. These included the mandatory wearing of masks and gloves, daily health checks (including temperature measurements), and daily disinfections of premises, equipment, and vehicles. We also built up stocks of personal protective equipment (PPE) and medicines for workers and medical staff. Employees are informed about personal safety measures and asked to conform to social distancing guidelines. The segregation of workers into small groups was carried out at production sites and offices, while at canteens people were divided into two sittings so that seating could be spaced out.

Shifts at production assets were extended, and employees at the Moscow headquarters switched to remote working, except for those running critical office-based systems. Business travel was temporary restricted, and personal trips by employees and their close family members were discouraged.

Polyus has created quarantine zones at all operating assets to deal with any cases of COVID-19 among employees. At isolation facilities workers receive treatment from medical staff, including diagnosis by computed tomography. Employees with moderate or severe cases of infection are transferred to healthcare institutions.

COVID-19 TESTING PROGRAM

GRI 403-6

Polyus also launched a COVID-19 testing program, which covers employees at all business units, including both operational assets and our offices in Krasnoyarsk, Bodaibo, and Moscow, as well as Polyus' contractors. Early detection of infection is important in order to prevent widespread transmission. This especially applies to shift rotation personnel, hence they are prioritized testing.

Mandatory testing was introduced for employees intending to visit remote production sites, and they are allowed to

visit a facility after receiving a negative test result. Also, any staff member testing positive for COVID-19 has to observe a strict quarantine period before they can embark on a trip. In addition, observation areas have been created at sites to temporarily hold and observe employees before they enter enterprises.

To ensure the prompt processing and receipt of test results for its staff, Polyus funded the necessary medical equipment for laboratories in its four main regions of operation. Under the current program, the total number of tests conducted as at December 31, 2020 is 187,427 for PCR tests, and over 31 thousand for ELISA IgG and IgM tests.

CASE STUDY

VACCINATION PROGRAM

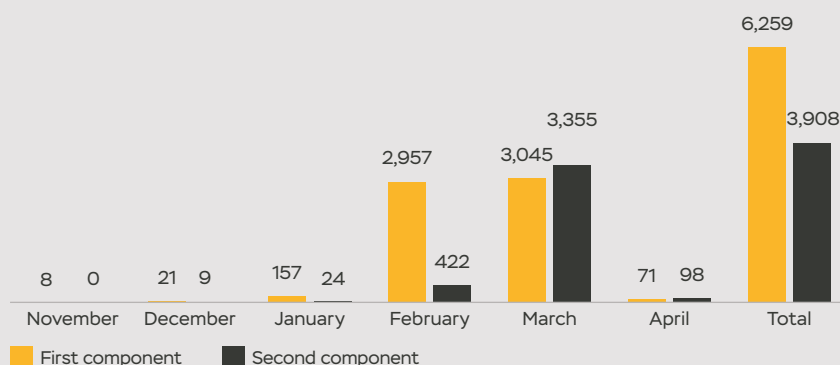
As part of the fight against COVID-19, the Company has set a goal of building and maintaining collective immunity to the virus among employees and contractors.

In 2021, vaccination is being organized at remote sites, as well as regular ELISA testing which measures the level of IgG antibodies in the blood to assess how much immunity has developed and the rate of changes in the amount of antibodies. In addition, large-scale information campaign was launched in support of vaccination against COVID-19.

By April 1, 2021, the coordinated work of all departments involved had made it possible to vaccinate 5,686 employees with the first component of the Sputnik V vaccine, and 3,565 employees had also received the second component. By that time, 48.8% of Polyus' employees had antibodies to COVID-19 (26.6% who were vaccinated and 22.2% who developed antibodies after being infected).

The implementation of the program continues, and the number of vaccinated employees grows daily.

RATE OF VACCINATION AGAINST COVID-19 AMONG POLYUS STAFF



LESSONS LEARNED

Implementation of the best available solutions and quick adaptation to crises such as the one created by COVID-19 is essential to maintaining the safety and wellbeing of our employees.

RESPONSE TO COVID-19 CONTINUED

ADDITIONAL TECHNOLOGY MEASURES

Our IT-Department ensured that our software enabled staff to switch successfully to a remote working format. Polyus also actively uses new and already existing corporate technologies to help prevent the spread and growth of COVID-19, including:

- the STOP.COVID digital system, designed to collect, store, and analyze COVID-related data on employees, including PCR and ELISA test results, employee movements, and information on cases of hospitalization and vaccination.
- a chatbot that daily surveys symptoms and those who have come into contact with infected people; and
- QR-codes with information on action plans and necessary measures to be taken if there is a heightened risk of infection. QR-codes were first implemented at Verninskoye to accelerate the process of risk identification at the production site.

SUPPORTING LOCAL COMMUNITIES

As a major business in our regions of operation, we recognize our responsibilities for ensuring the safety and social wellbeing of the residents of local communities in the current situation. Polyus invests significantly in improving medical infrastructure by

providing regional and local healthcare institutions with support of various kinds – from purchasing necessary medical and personal protective equipment to setting up laboratories for COVID-19 testing.

KRASNOYARSK REGION

Around \$4.2 million was allocated to support medical institutions through purchasing equipment, treatments, and PPE.

Two CT scanners were acquired for Olimpiada and the Severo-Yenisei regional hospital. In addition, Polyus equipped various district and city hospitals with 23 ventilators, four transport isolation boxes, a portable gas analyzer, and laboratory equipment.

Hospitals in Achinsk, Lesosibirsk, Yeniseysk, Kansk, Severo-Yeniseysky, and Krasnoyarsk, including the Krasnoyarsk Regional Clinical Center for Motherhood and Childhood, received funding.

IRKUTSK REGION

The amount of funding allocated by Polyus to anti-COVID epidemiological measures in the Irkutsk Region exceeded \$1.7 million.

With these funds we purchased equipment for three hospitals in remote villages of the region as well as for the medical and diagnostic complex of the Bodaibo regional hospital. Previously, Polyus had already funded an upgrade of the Bodaibo hospital. Bodaibo hospital received a CT scanner, a mobile X-ray machine, a blood coagulation analyzer, non-contact thermometers, and other equipment.

Polyus also supplied 18 ventilators to other healthcare facilities in the Irkutsk Region.

YAKUTIA

Hospitals in the Republic of Sakha received nine ventilators and other medical equipment purchased by Polyus. This included an insulated patient box, high-efficiency filter sets for air purification, and multifunctional medical monitors.

An Aldan COVID-19 laboratory was equipped to be able to carry out testing. The Aldan central regional hospital, the district administration, and the village of Nizhny Kuranakh received PPE supplies.

Funding for measures to support the Republic of Sakha amounted to \$166 thousand.

MAGADAN REGION

Medical institutions in the Magadan Region received 15 ventilators from Polyus, as well as a modern computed tomography system. The acquisition of the latter was sponsored jointly with the gold mining company Pavlik.

Equipment was also purchased for the Magadan Regional Center for the Prevention and Control of AIDS (a PCR machine and consumables) and the Tenkinskaya District Hospital (whose premises had also previously been refurbished with Polyus support).

The total amount of COVID-related funding in this region was around \$1.1 million.

CASE STUDY

COVID-19 RESPONSE FUND

Polyus, together with the Far East Development Fund, established a fund to help combat the spread of COVID-19 in the Far East of Russia, targeting donations of \$13.9 million. The funds are used to finance anti-COVID epidemiological measures and to purchase medical equipment and PPE for healthcare facilities in the regions of the Far East, including hospitals in the Magadan Region and Yakutia. Part of the first tranche of Polyus' contribution to the fund, in the amount of \$3.5 million, was sent to these two regions.

Remaining funds were used to provide support to all parts of the Far Eastern Federal District. This included support from other

companies operating in the Far East that were invited to participate in the program.



LESSONS LEARNED

With unprecedented challenges before and ahead, we believe that strategic partnerships are crucial to maintaining the resilience of society against the backdrop of the COVID-19 crisis. In the areas we operate, such as the Magadan Region and Yakutia, we bear responsibility for the local people

COVID-RELATED OBJECTIVES FOR 2021

Until the COVID-19 pandemic has been brought under control and risks to our employees and local communities' well-being have been fully eliminated, Polyus will work actively to counter the spread of COVID-19. In 2021, we will continue taking measures in the following areas:

- ensuring epidemiological safety for employees;
- increasing the readiness medical staff to be mobilized; and
- providing necessary support to local communities.

Polyus has also launched a Company-wide COVID-19 vaccination program at our production assets. The aim is to make the vaccine available to all employees and contractors, and we began rolling out this program at the beginning of 2021.



ETHICS AND HUMAN RIGHTS



CASES OF CORRUPTION

Zero

EMPLOYEES UNDERWENT ANTI-CORRUPTION COMPLIANCE TRAINING

~6,000

FACE-TO-FACE BRIEFINGS HELD ON ANTI-CORRUPTION ISSUES

>1,000

MATERIAL TOPICS:

- Economic performance
- Anti-corruption
- Tax
- Diversity and equal opportunity
- Public policy
- Response to COVID-19

KEY EVENTS:

- Publication of an updated Human Rights Policy.
- Information campaign on the Corporate Ethics Code.
- New positioning of corruption risk in the corporate risk system.

THE UN SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES



¹ Ethical business.

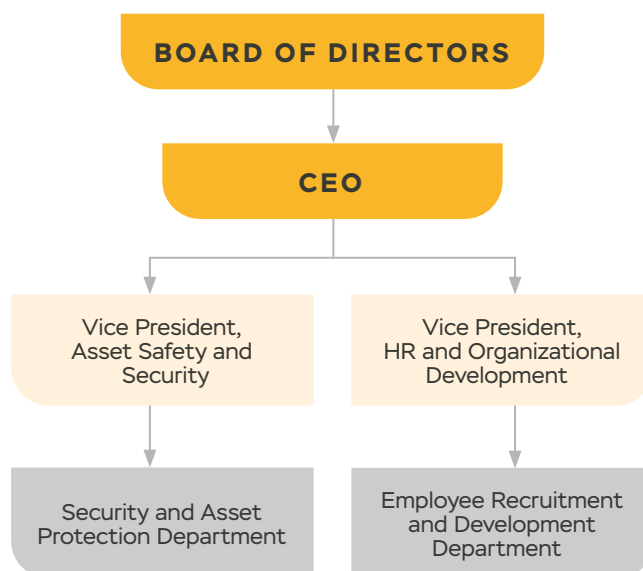
² Human rights.

³ Stakeholder engagement.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Update the Human Rights Policy.	Achieved	Polyus officially approved its updated Human Rights Policy, which addresses issues relating to its personnel policy, working conditions, the work of the security service, and other topics. The policy is based on best international practices and frameworks.
Conduct an information campaign about the Corporate Ethics Code and Polyus' corporate values.	Achieved	The Company released a series of training videos for employees about Polyus values, a separate online course on the Corporate Ethics Code, and created thematic posters.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Corporate Ethics Code
- Anti-corruption Compliance Policy
- Human Rights Policy
- Stakeholder Engagement Policy
- Standard for Engagement with Indigenous Peoples

External

- Constitution of the Russian Federation
- UN Global Compact initiative
- Universal Declaration on Human Rights
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- UN Convention against Corruption
- OECD Convention on Combating the Bribery of Foreign Officials in International Commercial Transactions
- Council of Europe Criminal Law Convention on Corruption

ETHICS AND HUMAN RIGHTS CONTINUED

MANAGEMENT APPROACH



The highest standards of ethics and behavior are a must for any industry leader. For a dynamic and growing company such as Polyus, they are essential to ensure consistency of performance and sustainable development. Over the past few years, the Polyus Board and management have focused on embedding a culture of excellence, and we are delighted to see this hard work now bearing fruit right across the Company. The Board and management also believe that transparency and corporate integrity are key to delivering sustainable value for stakeholders. Polyus strives to live by these principles, and also to promote them throughout its supply chain."

MARIA GORDON
SENIOR INDEPENDENT
DIRECTOR

GRI 103

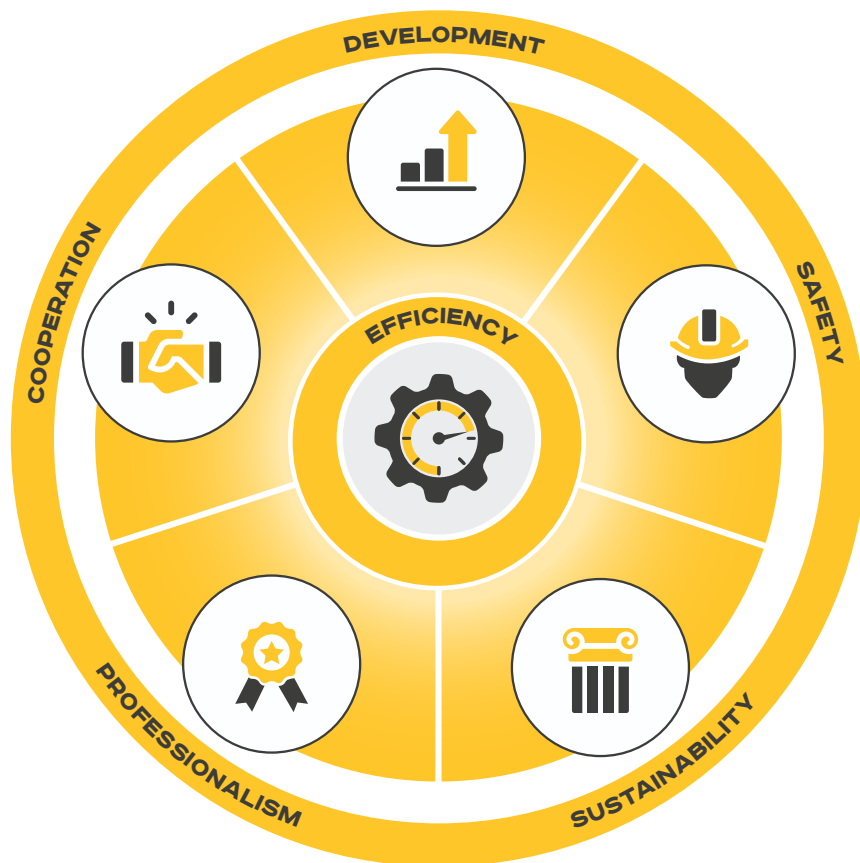
Polyus understands the importance of respecting the rights of our employees, partners, and local communities in the regions of the Company's operations, and embraces an ethical approach to doing business.

In our interactions with society the Company has a considerable influence on all stakeholders, and therefore we recognize the need to implement responsible business practices in our work. This includes aspects as zero tolerance of corruption, openness, and transparency in communications, and respecting the rights of all our external and internal stakeholders.

Polyus has a **Corporate Ethics Code** that reflects the Company's mission, the values according to which we determine the correctness of our actions, and the standards to which we adhere to ensure successful interaction at all levels: within the Company, with business partners, and with society.

Polyus is a dynamic company. It is important for us to constantly develop and achieve success in our activities, as well as make a positive contribution to society as a whole. We focus closely on building long-term relationships with stakeholders that are based on respect, integrity, and openness. Maintaining our business reputation remains an important aspect of the Company's sustainability.

THE POLYUS CORPORATE VALUES



ETHICS AND BUSINESS CONDUCT

Polyus strives to meet the highest standards of ethical business conduct. We continuously bring to our stakeholders' attention our stance of zero tolerance towards corruption and bribery. The Company takes strict measures to prevent and effectively eliminate the consequences of misconduct when it occurs. Employees at all the Company's business units must adhere to the ethical principles of conduct set forth in the Company's policies and regulations.

The Corporate Ethics Code is one of our core documents, and is necessary to ensure that we always bear in mind our global goals, and that our daily work is based on the values of efficiency, professionalism, cooperation, development, safety, and sustainability.

CASE STUDY

RAISING AWARENESS OF THE CORPORATE ETHICS CODE AND CORPORATE VALUES

In 2020, Polyus organized a large-scale information campaign on corporate values and the Corporate Ethics Code to raise awareness among employees and to familiarize them with the Company's values. This campaign had several aspects.

1. A series of videos on Polyus' mission and values

Videos were made on the following topics:

- the mission and values;
- the Efficiency;
- the Professionalism;
- the Cooperation;
- the Safety;
- the Development;
- the Sustainability.

These videos were sent to the Public Relations Department, which then posted them on our social networks.



Campaign materials

2. Additional edition of Corporate Ethics Code

An additional 3,000 copies of the Corporate Ethics Code were printed, sent and distributed in Krasnoyarsk.

3. The corporate values of Polyus were implemented in the Academic Policy of the Company

The Policy covers the organizational process of training and development programs in the Company.

4. A distance-learning course on the Corporate Ethics Code was created, containing case studies for employees to practice specific working scenarios

5. Posters were designed and created to support the information campaign

Posters were designed to highlight the Polyus hotline, Polyus' values, and Polyus' anti-corruption initiatives.

6. Manufacturing of a set of promotional materials

For each business unit an additional edition of informational materials shapes as cubes, inscribed with the Company's values, was created.



Campaign materials



LESSONS LEARNED

Diverse ways of communicating information allow the Company to reach more employees and fully convey the necessary information to them.

¹ Ethical Business

STAKEHOLDER ENGAGEMENT

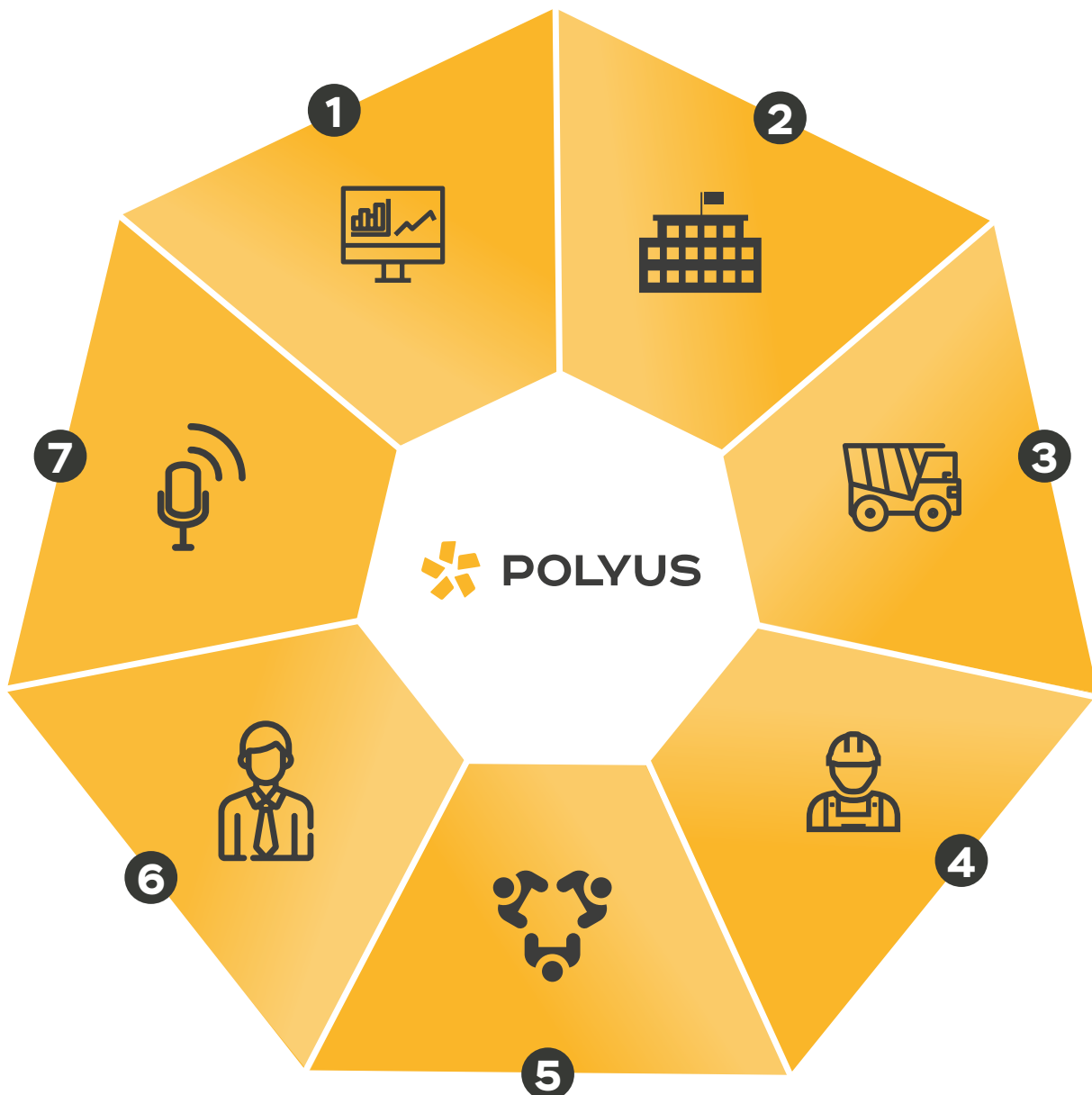
Polyus understands that business growth largely depends on how successfully relationships with stakeholders are built. For this reason, our Company endeavors to always take into account stakeholders' opinions and needs on economic, social and environmental issues.

The Company's stakeholders are those social groups whose interests, health and safety Polyus can have an impact on through its activities. To ensure that each of our stakeholders is

treated individually and appropriately, we identify groups of stakeholders as well as their needs and expectations. The Company's key stakeholders are shareholders; local and federal governments; regulators, employees and contractors; local communities; suppliers; the media; NGOs; and industry organizations.

Polyus has a Stakeholder Engagement Policy which regulates the main aspects of interaction between the Company and its stakeholders.

This internal document sets out the management approach to stakeholder engagement and to developing engagement strategies. In addition to the internal policy, our system of effective dialogue with stakeholders includes a wide range of interactive tools and mechanisms. For example, the Company has a 24-hour hotline, confidential mailboxes installed at business units, and an electronic mailbox (info@polyus.com), which allow us to receive feedback from all our stakeholders.



> See more in our [Annual Review](#).

1 SHAREHOLDERS, LENDERS, BONDHOLDERS

Key stakeholder concerns

- Achieving long-term value by ensuring consistent financial returns

Engagement mechanisms

- Annual general meetings
- Regular hard-copy and e-communications
- Regular meetings with institutional shareholders
- Newsletters
- Please see Polyus website (www.polyus.com)

Designated responsibility 'owner' within the Company

- Top management
- Investor relations function

Key events in 2020

- Interaction with ESG benchmarking organizations (including MSCI, SAM and Sustainalytics)

2 GOVERNMENT AND REGULATORS

Key stakeholder concerns

- Legislative and regulatory compliance
- Environmental and social performance, fiscal regimes

Engagement mechanisms

- Agreements on social-economic partnerships
- Charity and sponsorship initiatives
- Conferences and forums

Designated responsibility 'owner' within the Company

- Government relations function

Key events in 2020

- Response to COVID-19
- Working on social and economic projects within the framework of existing cooperation agreements between Polyus and the governments of our regions of operation
- Please see sections 'Response to COVID-19,' 'Local communities' in the Report, and Polyus website (www.polyus.com)

3 SUPPLIERS

Key stakeholder concerns

- Supply agreements
- Payment processes

Engagement mechanisms

- Tenders
- Contractual relationships
- Workshops

Designated responsibility 'owner' within the Company

- Sales and logistics function

Key events in 2020

- Implementation of an approved standard procurement procedure
- Introduction of a car-sharing system for personal transport in Magadan
- Please see the section 'Working with suppliers,' and Polyus website (www.polyus.com)

4 EMPLOYEES AND CONTRACTORS

Key stakeholder concerns

- Health and safety
- Working conditions
- Career opportunities
- Wages, benefits and social packages
- Training and education

Engagement mechanisms

- Direct communications with employees through immediate supervisors and management
- *Territory of Polyus* corporate newspaper
- Internal web portal
- Site-based newsletters
- Hotline
- Confidential feedback boxes
- Corporate sports and cultural events, professional competitions
- Volunteer projects
- Employee surveys
- Contractual relationships

Designated responsibility 'owner' within the Company

- Human resources and organizational development function
- HSE&SD function¹
- Operations and technical function

Key events in 2020

- Response to COVID-19
- Opening of a self-development club for Verninskoye employees
- Please see sections 'Human capital,' 'Health and safety,' and Polyus website (www.polyus.com)

5 LOCAL AND INDIGENOUS COMMUNITIES

Key stakeholder concerns

- Potential environmental and social impacts
- Employment opportunities
- Infrastructure development

Engagement mechanisms

- Newsletters and targeted communications
- Public hearings and meetings
- Confidential feedback boxes
- Charity activities
- Social programs
- Hotline

Designated responsibility 'owner' within the Company

- Government relations function
- Public relations function

Key events in 2020

- Response to COVID-19
- Improvement of the sports ground Pereval in the Krasnoyarsk Pillars national Park
- Major repairs to the medical and diagnostics facility at Bodaibo hospital
- Please see sections 'Human capital,' 'Health and safety,' and Polyus website (www.polyus.com)

6 NGOS AND INDUSTRY ORGANIZATIONS

Key stakeholder concerns

- Social and environmental performance of operations
- Mitigating non-financial risks
- Industry-specific issues

Engagement mechanisms

- Regular interaction with relevant national and international organisations
- Participation in committees and working groups

Designated responsibility 'owner' within the Company

- Public relations function
- Government relations function
- SD function²

Key events in 2020

- Knowledge-sharing on ESG priorities and opportunities at Natural Resources Forum ESG Week³
- Developed Global Industry Standard on Tailings Management
- Invited to speak at UN Leaders' Summit
- Please see Polyus website (www.polyus.com)

7 MEDIA

Key stakeholder concerns

- Broad range of issues reflecting all stakeholder interests

Engagement mechanisms

- Press releases, briefings
- Presentations and interviews
- E-communications

Designated responsibility 'owner' within the Company

- Public relations function
- Investor relations function

Key events in 2020

- Proactive interaction with Russian and foreign media
- Please see Polyus website (www.polyus.com)

¹ Health, Safety, Environment and Sustainability function.

² Sustainability function.

³ On 8 October 2020, Polyus participated in the Natural Resources Forum's ESG conference, Challenges and Opportunities in the Mining Sector – Company Case Studies, which looked to identify the main opportunities and barriers companies in the extractives sector are facing while aiming to operate in a more sustainable manner. More information on Polyus' participation in the event can be found on Polyus' [official website](http://www.polyus.com).

ETHICS AND HUMAN RIGHTS CONTINUED

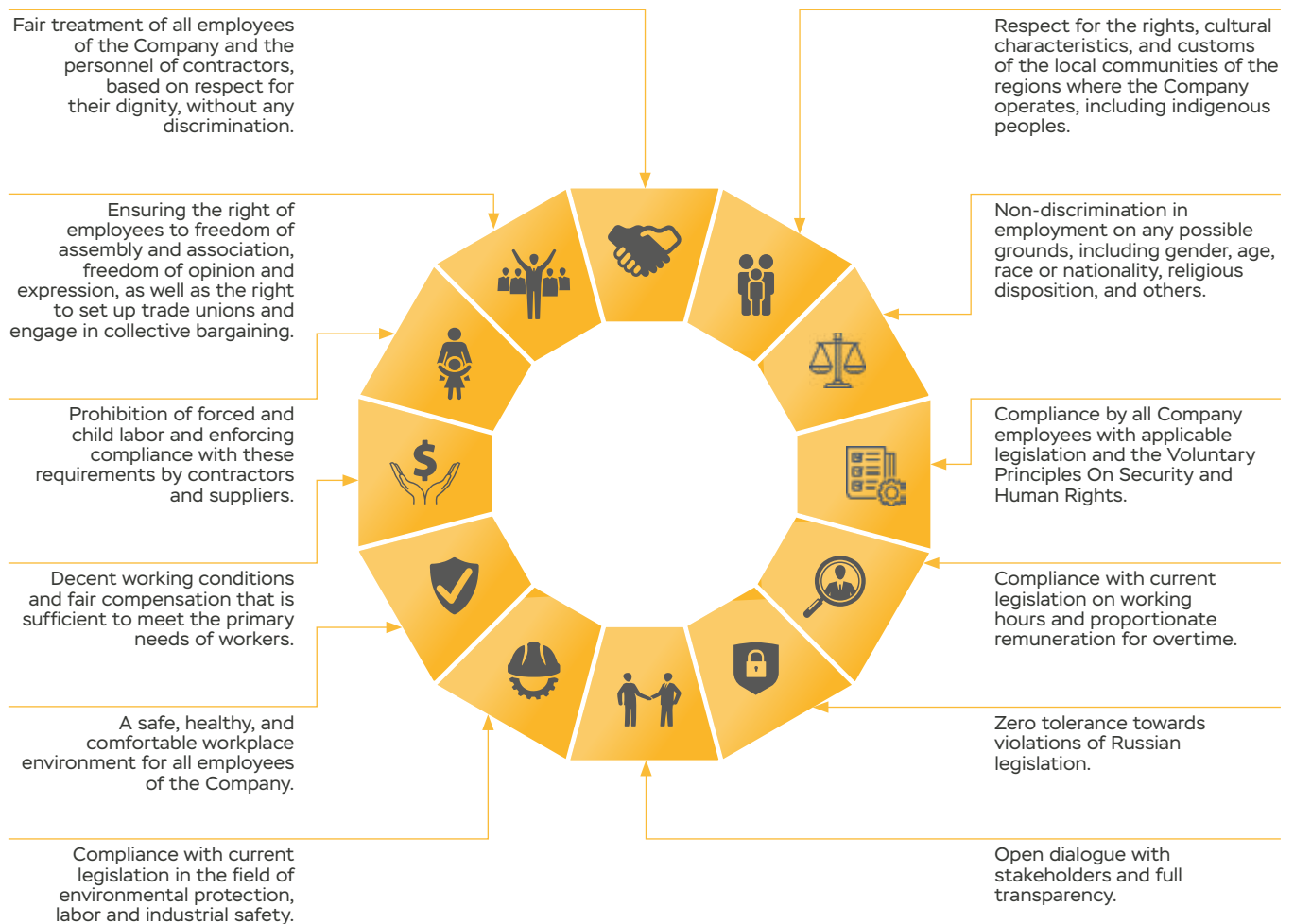
HUMAN RIGHTS

Polyus recognizes the need to respect human rights and we work actively in this area. The principles and values of human rights are integrated into the activities of our Company. In addition, we seek to ensure that contractors, suppliers, and other business partners are equally attentive to the topic of human rights, and the Company undertakes to inform them about the requirements of our policy in this area. In our activities we adhere to the Guiding Principles on Business and Human Rights, approved

by the UN Council in 2011, as well as the requirements contained in the following documents:

- the Constitution of the Russian Federation;
- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social, and Cultural Rights;
- the International Labor Organization Declaration on Fundamental Principles and Rights at Work;
- the Voluntary Principles on Security and Human Rights;
- the United Nations Guiding Principles on Business and Human Rights;
- the United Nations Declaration on the Rights of Indigenous Peoples and
- the UN Global Compact initiative.

PRINCIPLES OF THE POLYUS HUMAN RIGHTS POLICY



HUMAN RIGHTS POLICY

GRI 102-16

In April 2020, Polyus officially launched its updated Human Rights Policy. This covers such issues as our approach to personnel management, working conditions, and the work of the Compliance function. The policy is based on the best international practices and documents, including the Universal Declaration of Human Rights, the UN Global Compact, the Voluntary Principles on Security and Human Rights, and the ICMM Principles.

Our Human Rights Policy complements the legislative norms that regulate the performance of the Polyus Security Department. The Company maintains a high level of professionalism among the employees of its Compliance function through careful selection, training, and ensuring a high standard of corporate documents and internal regulations.

As part of its human rights commitments the Company has a list of principles around which the day-to-day activities of Polyus are organized.

To ensure that all Polyus' internal policies and practices comply with these principles, our Company is committed to regularly monitoring its performance and to assessing risks in the field of human rights protection. In addition, we gather feedback from our stakeholders through specialized channels and mechanisms. We respond promptly to violations and reply to all requests related to the safeguarding of human rights. In order to train the Company's employees in the principles of the Human Rights Policy, we have developed a distance-learning course on the provisions of the document, which includes theoretical and practical components.



ETHICS AND HUMAN RIGHTS CONTINUED

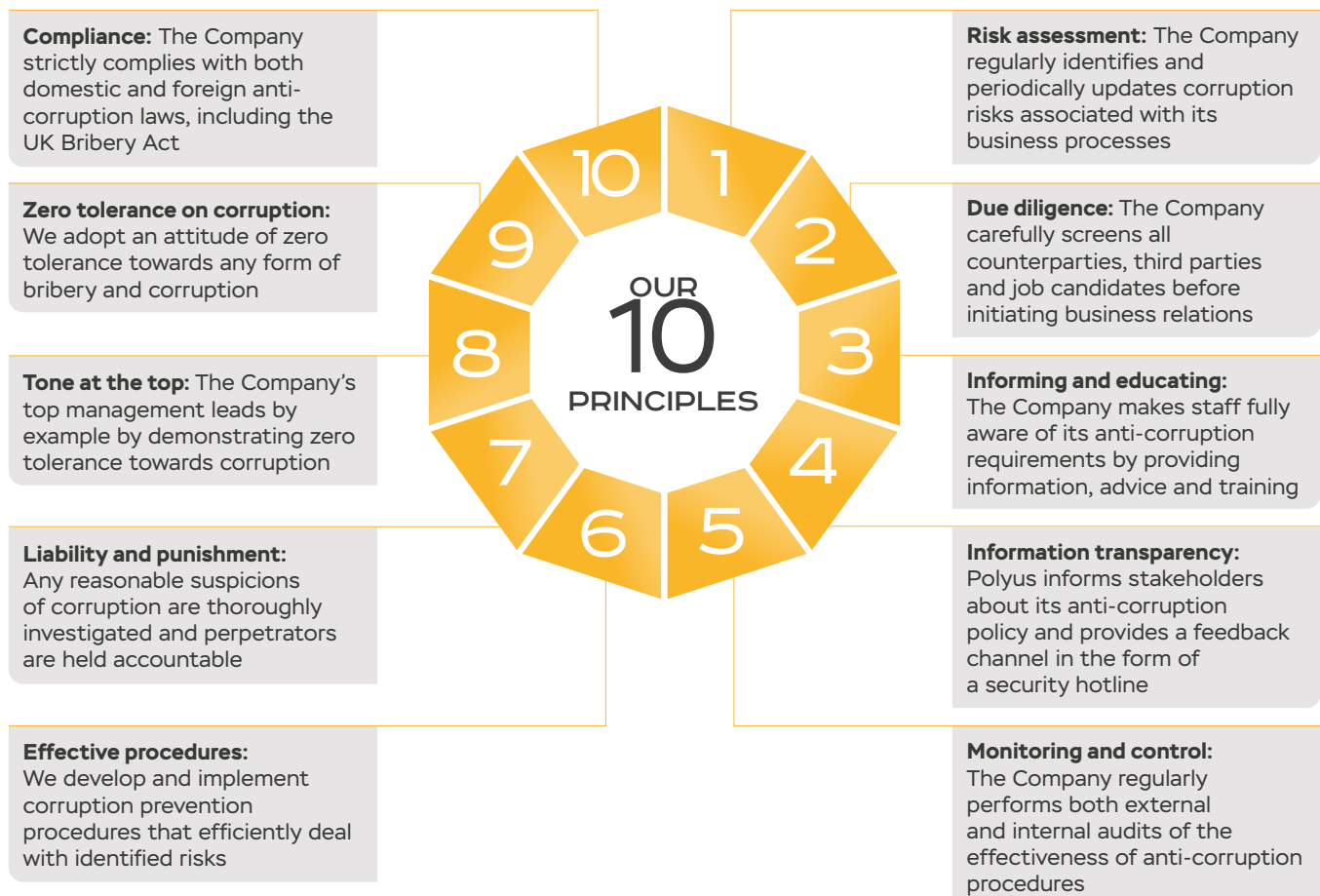
ANTI-CORRUPTION COMPLIANCE

GRI 102-16

Preventing corruption is one of the Company's priority areas of activity. We are convinced that any corrupt activity hinders the development of business, so we try to prevent such violations.

The Company has 10 anti-corruption principles, on which the anti-corruption strategy is built. Compliance with these principles ensures the effective operation of the Company now, and its sustainable development for the future.

POLYUS ANTI-CORRUPTION PRINCIPLES



ANTI-CORRUPTION MANAGEMENT SYSTEM

GRI 102-25 · GRI 205-2

As part of the revision of the Company's current Anti Corruption Policy, a corruption compliance risk management system has been introduced. This system covers all the Company levels and assigns certain areas of responsibility to each authorized person or body. The requirements of Anti-corruption Compliance Policy apply to all the Company's employees. This clearer distribution of responsibilities and tasks between employees will help us to implement our future plans and goals in the fight against corruption more effectively.

No major modifications to the anti-corruption system were introduced, as the significant changes occurred in the previous reporting period. In 2020, we focused on working out certain more detailed aspects of the system. For example, we updated the Anti Corruption Policy, and raised the profile of corruption risk in the corporate-level risk system.

During the year, Polyus also carried out extensive work on mechanisms for reporting suspected instances of corruption. We have created a special mailbox for receiving information or direct reports to help with combating corruption. Next year, we plan to automate the collection of information using a tool called the "Compliance Cockpit". This mechanism will allow an employee to report a potential conflict of interest or get advice on the presence or absence of a potential conflict of interest, by entering into direct contact with the Company and taking the necessary actions to resolve the issue in a quick and effective manner.

ANTI-CORRUPTION MANAGEMENT SYSTEM

CEO	<ul style="list-style-type: none"> • Defines the strategic directions of the anti-corruption system • Ensures that resources are allocated for implementation of anticorruption compliance • Approves internal documents on anti-corruption
Authorised person	<ul style="list-style-type: none"> • Controls actions taken within the framework of the Company's anti-corruption governance and policy • Informs and consults the Company's employees in the field of anti-corruption
Anti-corruption department	<ul style="list-style-type: none"> • Develops internal documents and practical measures for combating corruption • Analyzes corruption risks • Conducts monitoring of current legislation • Ensures the interaction of the Company's divisions, employees and third parties in the field of anti-corruption
Internal control and audit department	<ul style="list-style-type: none"> • Analyzes the results of risk management activities • Provides support to higher-level authorized persons in the risk assessment process
Structural departments for employee recruitment and development	<ul style="list-style-type: none"> • Provides training for employees on the principles of the Anti-Corruption Policy • Approves candidates for each job in order to identify corruption risks at an early stage

ANTI-CORRUPTION RISKS

GRI 205-1

Polyus regularly assesses corruption risks within the Company. Until 2019, these risks were included as part of the risk related to non-compliance with the requirements of legislation and internal procedures. In 2020, however the Company revised this classification and identified corruption risk as a separate corporate-level risk and identified 5 risk factors in overall assessment: non-compliance of the Company's activities with the applicable anti-corruption legislation, the Company's failure to prevent a corrupt action, violation or non-compliance with local regulations in the field of anti-corruption, internal corporate fraud and conflict of interests. This risk is of high importance to the Company due to the potential severity of the consequences. In 2021, we are not planning to decrease the level of this risk.

RESULTS OF ANTI-CORRUPTION ACTIVITIES

In 2020, we successfully carried out our workplan in the field of anti-corruption: all strategic tasks and initiatives were completed on time, and the results of our activities were highly appreciated by the Audit Committee.

In 2020, due to the COVID-19 pandemic, Polyus faced serious difficulties in the field of purchasing personal protective equipment and medications. The market for these items faced a lot of manipulation, and therefore we carefully monitored every purchase operation. A policy on simplified procurement was developed, which involved conducting specific controls to ensure compliance with our internal requirements and procedures. As a result, the Company managed to avoid unethical practices and prevent any violations. Zero cases of corruption were identified. It is worth noting that despite the difficult situation, the procurement plans were not violated.

ANTI-CORRUPTION COMPLIANCE EDUCATION

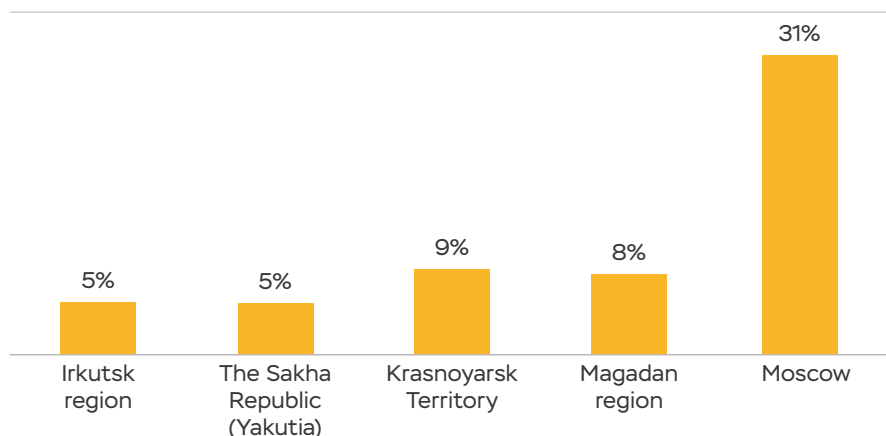
GRI 205-2

The Anti-corruption Compliance Policy is applicable to all Company employees and its requirements are regularly communicated to them. Generally, respective requirements or obligations are formalized in contracts with counterparties.

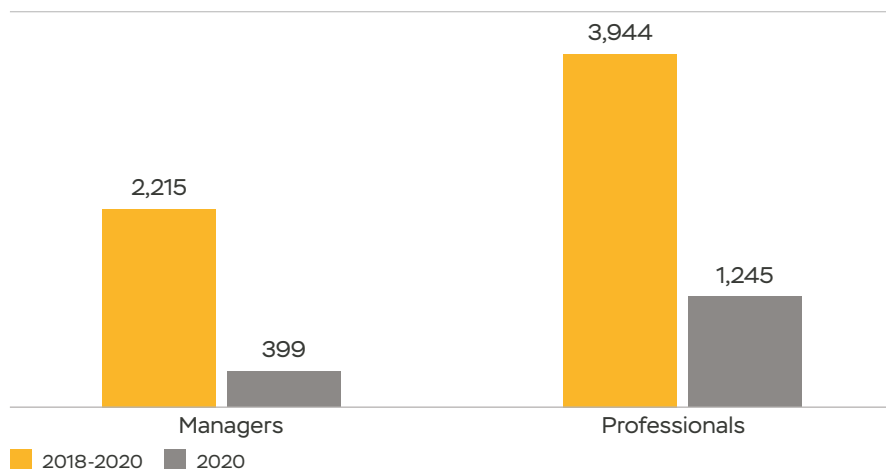
Polyus continuously monitors the number of employees who have been trained in anti-corruption practices.

Training programs are constantly reviewed, supplemented and updated in accordance with the Company's internal policies and anti-corruption legislation, so that employees have the most up-to-date competencies. In 2020, 1,644 employees completed an online course on anti-corruption, which makes in total about 6,000 employees (90.6% of the target audience) from 2018 to 2020. The Company also implements a personal approach in the field of anti-corruption training and gives employees the opportunity to communicate face-to-face and discuss any specific points of interest.

PERCENTAGE OF EMPLOYEES THAT RECEIVED TRAINING ON ANTI-CORRUPTION BY REGION, 2020



NUMBER OF EMPLOYEES THAT RECEIVED TRAINING ON ANTI-CORRUPTION BY CATEGORY, 2018-2020¹



¹ Ethical business.

² Human rights.

³ Stakeholder engagement.

TRANSPARENCY AND DISCLOSURE

We understand that successful communications with business partners and stakeholders are based on openness and trust. Polyus strives to follow the highest transparency standards in its operations in order to facilitate effective engagement with its stakeholders.

As a member of the ICMM Polyus also supports the Extractive Industries Transparency Initiative (EITI), which is aimed at promoting the transparent and accountable management of resource extraction. Our Company promotes the implementation of the EITI. We provide disclosure on tax payments, royalties and other payments to the federal budget in full annually on a regular basis.

GRI 415-1

In accordance with the Company's Corporate Ethics Code, Polyus does not promote the political activities of any individuals or organizations. The Company does not finance the activities of political parties and individuals. Using the Company's resources for political activities is also prohibited.

GRI 102-17

CASE STUDY

POLYUS' SECURITY HOTLINE

Polyus fully understands the need to continuously monitor potential violations of the Company's principles in the field of business ethics, anti-corruption, and respect for human rights. For this purpose, the Company has set up a special hotline, which operates in all its business units and support services, and is an effective means of communication for external and internal stakeholders. The main goal of the hotline is to identify and prevent violations that could negatively affect the Company's image, and to receive and analyze feedback from stakeholders on human rights and business-ethics-related issues.

We ensure that the hotline is easily accessible. Messages can be submitted via a physical mailbox (secure mailboxes are installed at business units, support services, and the head office), an electronic mailbox (hotline@polyus.com), a free-of-charge hotline telephone number, or in person. In 2021, one of our work projects will be to automate how submissions are processed.

We seek to ensure that all interested parties are aware of the hotline, and we provide employees with special information materials on how to use it. Every quarter we send an email to our workers, containing information about how the hotline works, the key topics to be aware of, and the contact details of authorised persons.

Messages can be sent anonymously, and in such case Polyus ensures that the identity of the person submitting a report remains strictly confidential. This approach is enshrined in both the Anti-Corruption Policy and the Corporate Ethics Code and is also promoted through anti-corruption and hotline posters.

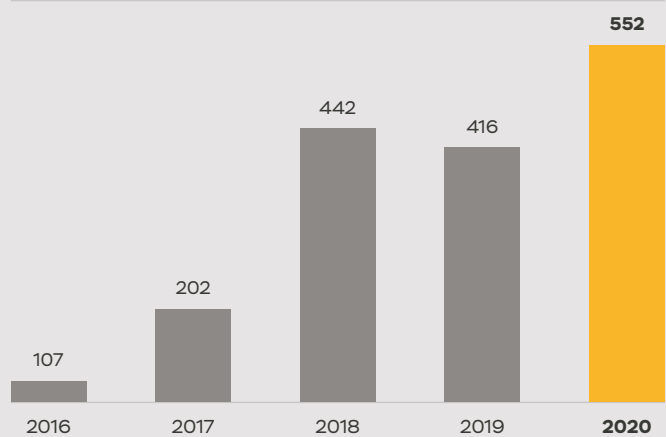
Polyus carefully analyzes each submission received and strives to provide appropriate feedback. The methodology for processing submissions is formalized in the Company's Ethics Hotline Organization and Operation Policy. In the past five years there has been an upward trend in the number of reports made to the hotline. We chiefly attribute this to growing of awareness of the hotline on the part of our employees, partners, and other third parties interacting with the Company. Additionally, as well as information channels in each individual business unit, there is also a head office communication channels, which can be used by all stakeholders.

During 2020, people actively used the hotline to raise COVID-19 related issues. Most reports were about how work is organized in the current challenging conditions. To facilitate operational interactions, extra communication channels were opened up, such as chatbots using the Viber application. These channels enabled the process of searching for information or solutions to be speeded up.

HOTLINE WORKING PROCESS



NUMBER OF REPORTS, 2016-2020



ETHICS AND HUMAN RIGHTS CONTINUED

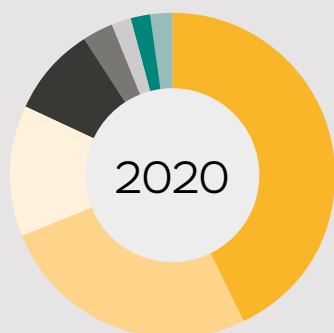
GRI 102-17

CASE STUDY

In 2020, there was an important innovation related to the security hotline. The Company decided to combine the efforts of the Conflict Commission¹, which currently works under the guidance of our internal auditors, and the efforts of compliance staff in conducting proceedings and inspections, which allowed the Company to make the investigation process more open and objective. After investigation, we also sent feedback to those making reports. If an investigation or audit revealed a violation, we disclosed it and made it public. This represents an important step in our work to counteract violations, as we were able to combine our strengths and also to disclose information that previously might not have been divulged.

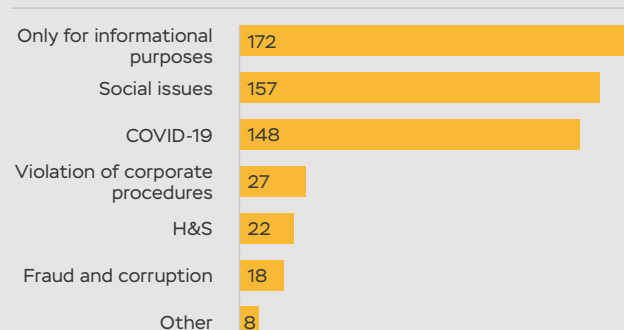
We are pleased to report that the level of trust in the Company, from both employees and contractors, seems to be increasing, as there are far fewer anonymous messages being made. People are increasingly likely to report issues openly, without concealing their personal data.

CATEGORIES OF ENQUIRIES ON SOCIAL ISSUES, 2020², %

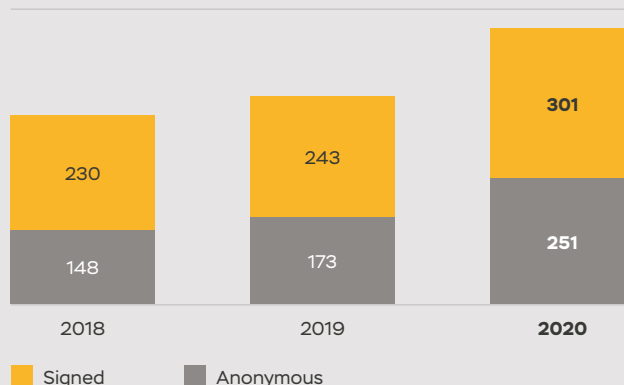


Remuneration	43%
Negative attitudes on the part of management	26%
Housing conditions	13%
Work schedule	9%
Social benefit, north bonus	3%
Violations of health and safety rules	2%
Personal disputes	2%
Non-payment of bonuses	2%
Unlawful dismissals	0%

TYPES OF HOTLINE REPORT, 2020



ANONYMITY OF MESSAGES, 2018-2020



¹ The Conflict Commission is a special organ where the Company's stakeholders can submit their complaints and suggestions - in addition to the hotline.

² In 2020, there were no enquiries in category "Unlawful dismissals". The category is listed in the figure to ensure data continuity.

LESSONS LEARNED

Automation of communication processes simplifies and accelerates the system of collecting hotline submissions and providing feedback making it more efficient.

PLANS FOR 2021 AND THE MEDIUM TERM

In 2021, Polyus plans to complete the automation of its operations, including through:

- developing an automated computer module that can manage conflicts of interest and help prepare documents for the review of potential situations;
- automation of counterparty verifications;
- automation of processing hotline requests; and
- improving the administration of the hotline so that it deals with submissions more effectively.



HUMAN CAPITAL



AVERAGE HEADCOUNT

20,385

EMPLOYEE TURNOVER RATE

21.21%

EMPLOYEES TRAINED UNDER VARIOUS PROGRAMS

21,102

STUDENTS UNDERTOOK POLYUS INTERNSHIPS

>100

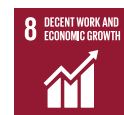
MATERIAL TOPICS:

- Market presence
- Employment
- Training and education
- Diversity and equal opportunity
- Socioeconomic compliance
- Response to COVID-19

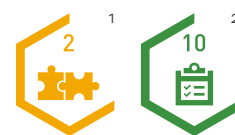
KEY EVENTS:

- The number of trained employees rose by 16%.
- Healthcare projects were the main area of interest for the Company in 2020.

GLOBAL SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES



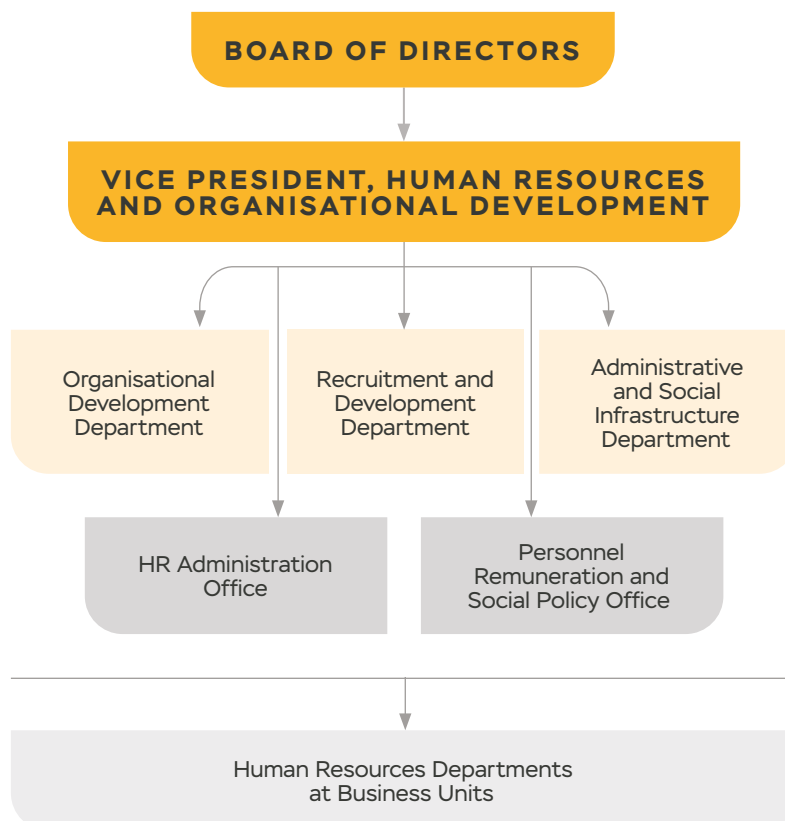
¹ Decision-making.

² Stakeholder engagement.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Improving employee retention.	On track	Introduction of the online course feedback, for trainings conducted by the Company
Attracting the best specialists and creating a healthy working environment.	Achieved	A new workforce adaptation program was implemented across all business units. Collaborations with universities and colleges.
Increased labor productivity.	On track	Created a 'tree of objectives' with operational KPIs for all employees.
Improved quality of HR services.	On track	Launch of the Multi-functional Center (MFC ³) 2.0 extension project. Introduction of supplementary centralized HR trainings and recruitment processes aligned with other Company processes.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Human Resources Policy
- Corporate Ethics Code
- Human Rights Policy
- Regulation on Providing Incentives and Remuneration to employees
- Regulation on Guarantees, Compensation, and Benefits for Employees
- Regulation on Mentoring
- Regulation on the Adaptation of Personnel in the Managing Company
- Regulations on organizing training by request
- Gold reserve regulations

External

- The Russian Labor Code
- Other applicable national and local labor regulations

³ Since 2017 Polyus has been working on developing a Multi-functional Center (MFC). The MFC's aim is to centralise non-production support functions, including accounting, taxation, IT, administrative support and some HR-related functions.

HUMAN CAPITAL CONTINUED

MANAGEMENT APPROACH

“



In 2020, the global pandemic tested our resilience and corporate agility. It was of critical importance that colleagues could adapt quickly, rise to COVID's many challenges, and support each other across all levels and areas of the organization. The sense of cohesion among employees has noticeably improved, proving that these challenging times have brought positives as well as difficulties, and have demonstrated Polyus' underlying strength."

TAMARA SOLNTSEVA
VICE PRESIDENT,
HUMAN RESOURCES
AND ORGANIZATIONAL
DEVELOPMENT

The human resource (HR) management system is a cornerstone for many major companies, including Polyus. Regardless of its size or the sector in which it operates, a company needs a professional team with wide-ranging experience to achieve its plans and targets. Hence, Polyus places a great focus on selecting and recruiting the most knowledgeable and skilled specialists and on improving their qualifications and knowledge so that they become even better assets to the Company. To motivate our people, Polyus offers various attractive incentives, provides flexible conditions, encourages a healthy social life, and provides modern working arrangements. The COVID-19 lockdowns were inevitable to prevent the spread of the virus in Russia. However, due to the efficient way that we tackled this problem we were able to avoid a full corporate lockdown. Since March 2020, Polyus has worked constantly with health experts and government emergency response services to ensure that the virus is contained. Our employees' health and safety are the Company's absolute priority. Polyus abides by all recommendations made by the Russian Government and regional health authorities concerning measures to reduce the global spread of COVID-19. Detailed information in this regard can be found in the Response to COVID-19 section below.

The personnel management system strategy, which was created in 2019 and will cover following two years, was designed to establish a framework for the further modification and development of the personnel management system. The framework lays out specific aims and workstreams to improve the Company's personnel management system and determines specific corporate and business unit projects for 2020 year.

Despite having a well-established personnel management system, Polyus continues to develop its HR management function. The HR business partners, an institution, which has been operating for several years now, is regularly praised by professionals who have participated in training courses at the Company. This institution operates under the direct supervision of senior management and representatives of site-based HR departments to ensure that HR policies and procedures goals align with the overall business strategy of the Company.

CASE STUDY

MULTI-FUNCTIONAL CENTER

The Multi-functional center (MFC), set up in 2019, aims to centralize non-production support functions, including accounting, taxation, IT, administrative support, and some HR-related functions. An MFC 2.0 extension project was scheduled for the start of 2020, but due to COVID-19 was suspended. The extension project will continue the transfer of centralized HR training and recruitment processes as soon as COVID crisis normalizes.



LESSONS LEARNED

Establishing central services centers such as the MFC helps ensure a coherent and cohesive business environment.

CASE STUDY

BUILDING A STRONG HR-BRAND

Polyus is a leader in gold production in Russia (accounting for 20%) and one of the world's largest gold mining companies, with reserves of 104 million ounces (third in the world), of which more than half is in the Krasnoyarsk Territory. In 2019, six Company enterprises produced 2.84 million ounces of gold – and between summer 2019 and June 2020, the Company's shares almost doubled in value.

In 2020 Polyus retained its top-10 position on the Forbes Magazine List of 50 Best Employers in Russia, not only due to the high salaries and substantial social packages it offers, but also for the compensation it provides to employees working in harsh conditions at enterprises in the Krasnoyarsk Territory, Irkutsk and Magadan Regions, and the Republic of Sakha (Yakutia). Furthermore, among mining and metallurgical companies in Russia, Polyus ranks third in terms of its charitable activities: it has donated around RUB 6 billion over the past two years, or 1% of its profits.

LESSONS LEARNED

As a leader in its sector, Polyus behaves generously toward both its employees and the people living in territories where the Company operates.

PJSC Polyus announced in 2020 that the Group's MFC had won a top award at the all-Russian competition for 'Best General Service Center' in the category 'Efficient Business Processes and Efficient Document Flow'. This was the first year that Polyus had entered, and the MFC beat off competition from 23 other entrants. The annual competition is organized by MSB Events in association with Club SSC, a community of dedicated service professionals within Russia, and the results were announced during the 14th online conference "Shared Service Centers".

In 2020, the Krasnoyarsk business unit launched a project called 'Driver', which helps recruit HGV drivers to work in quarries. The project is a targeted training program for drivers of Caterpillar heavy-duty vehicles. Educational institutions in Russia do not offer comprehensive training for specialists in this profession, and hence there is a deficit of such drivers in the labor market, and the HR needs of Polyus in this respect could not be met. Therefore, the Company decided to take a proactive approach and create its own program to train a team of professionals in the Krasnoyarsk Territory. The project involves recruiting drivers with minimal experience and providing them with high-quality training in working on heavy trucks, including transport safety training.

Many drivers apply to work for Polyus, but do not have the required qualifications. The Driver project offers opportunities to a wide range of applicants, and the response has surpassed our expectations. The first cohort of recruits is already successfully completing training at an industrial site, and the second group has been assembled. In 2021, the HR department plans to train 200 professional HGV drivers as part of the project.

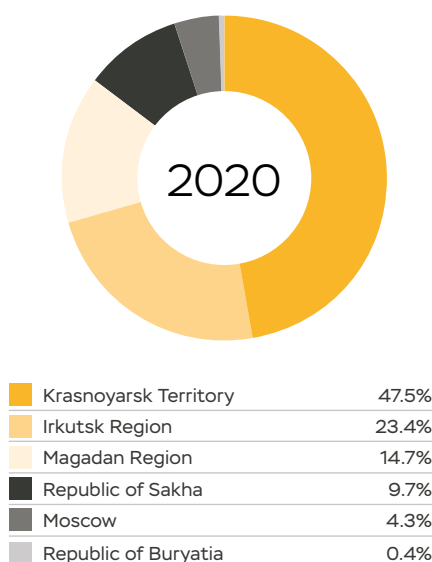
HUMAN CAPITAL CONTINUED

WORKFORCE COMPOSITION AND ENGAGEMENT

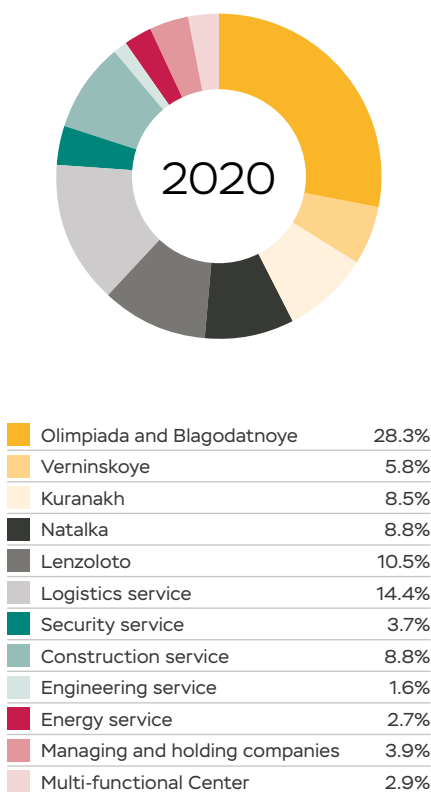
GRI 102-8

In 2020, the average headcount of the Company stood at 20,385, a 3.6% rise on 2019. Over 47% of employees worked in the Krasnoyarsk Region, where the largest Polyus gold production assets are located. The smallest proportion of personnel, 0.4%, work in the Republic of Buryatia).

EMPLOYEES BY REGION, %



EMPLOYEES BY ASSETS, %

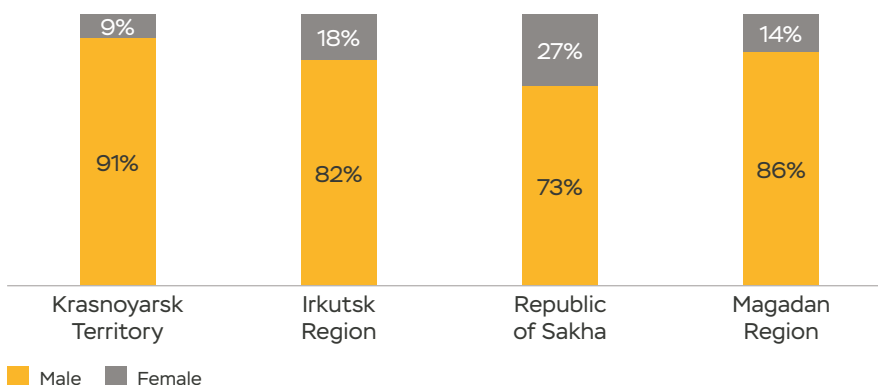


The gender composition of the Company in general reflects the characteristics of the mining industry, where men make up the majority of the workforce. Polyus functions in a business sector where gender imbalances is usually the norm, despite equal working conditions prevailing. Such inequalities are due to female workers usually avoiding roles which require physical strength and carrying heavy loads. Another reason is a lack of women in industry-related professions, partly due to legal reasons, as explained below. However, the diversity initiatives and strategies of the Company are geared towards attracting, developing, and promoting talented employees, irrespective of their race, sexual orientation, religion, age, gender, disability status, or any other factor of diversity.

Russian labor regulations limit the extent to which female employees can work in positions that may entail harmful working conditions. However, Polyus works hard to guarantee that it has a safe and capable workforce. In 2020, men made up 85% of the Polyus workforce overall. The highest women's representation within Polyus is in the Republic of Sakha, where women hold 27% of positions.

In terms of the distribution of personnel among business units and support services, the largest share has traditionally been taken by the Krasnoyarsk business unit (Olimpiada and Blagodatnoye), with 28%, and the smallest by the Engineering service (approximately 2%).

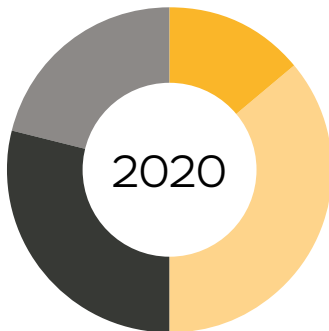
EMPLOYEES BY GENDER BY REGIONS, 2020¹, %



¹ Graph includes data on production of business units.

Polyus recruits and retains employees without discriminating by age. In 2020, 14% of our workforce was aged below 30, while employees in the 40-50 age group comprised 29% of personnel. Employees aged 50 and over made up 21% of the workforce. The largest proportion of manual workers was in the 30-40 age category (36% of the workforce).

EMPLOYEES BY AGE, %



30 years and younger	14%
30 to 40 years	36%
40 to 50 years	29%
50 years and older	21%

Polyus follows all legal requirements regarding the employment of people with disabilities. The Company also supports retraining opportunities and offers transfers for workers who have suffered a workplace injury.

GRI 401-1

Employee turnover at Polyus is closely monitored by the HR Department, which makes strenuous efforts to minimize it. In order to enhance working conditions and to work on identified weaknesses, our HR team asks people who are leaving the Company to complete an exit questionnaire. In 2020, the employee turnover rate stood at 21.21%, and the voluntary employee turnover rate was 18.6%.



HUMAN CAPITAL CONTINUED

ATTRACTING TALENT

Polyus is always seeking to improve its approach to recruitment, and in 2020 a new workforce adaptation program was implemented across all business units. In total, Polyus had 5,754 employees in 2020. The largest share of new joiners was at Lenzoloto (1,302 employees). In 2020, the Company increased its headcount by 19% compared to 2019.

CASE STUDY

CAREERS FOR THE DIGITAL ERA

Polyus invests heavily each year in the development of digital infrastructure and in transforming its business processes. Existing initiatives include an automated control system for mining fleet, technical monitoring systems, and intelligent sensors on machines and equipment – However, finding talented digital specialists is always a tricky issue. That is why the Company runs an outreach program at the Siberian Federal University, enabling students to find out more about Polyus, and discover the secrets of forging a successful career in the digital era.



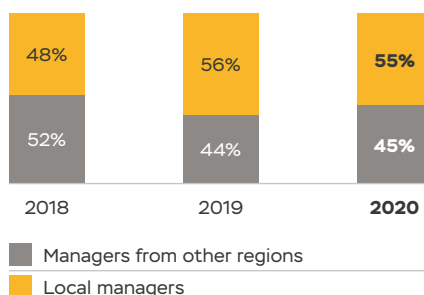
LESSONS LEARNED

Digitalization of training, mining and transport systems are essential to meet global standards.

GRI 202-2

Since Polyus' assets are located in remote destinations, the Company prefers to recruit mostly from local human resources, including for management positions. As an industry leader, Polyus demands a high standard and level of qualifications, and if a local nominee does not meet respective entry level requirements and have the necessary skills, the Company searches for another candidate from other regions. In 2020 the share of managers recruited locally was 55%, and the share of people recruited locally is more in Krasnoyarsk territory (63%) than in other regions of operation.

GEOGRAPHICAL ORIGIN OF MANAGERS, %



CASE STUDY

FIRST INTERNS JOIN POLYUS RESEARCH CENTER

Polyus Krasnoyarsk has recruited students for an internship program at the Company's Research Center, with the possibility of further employment. An internship lasts 1-1.5 years. During this time, students:

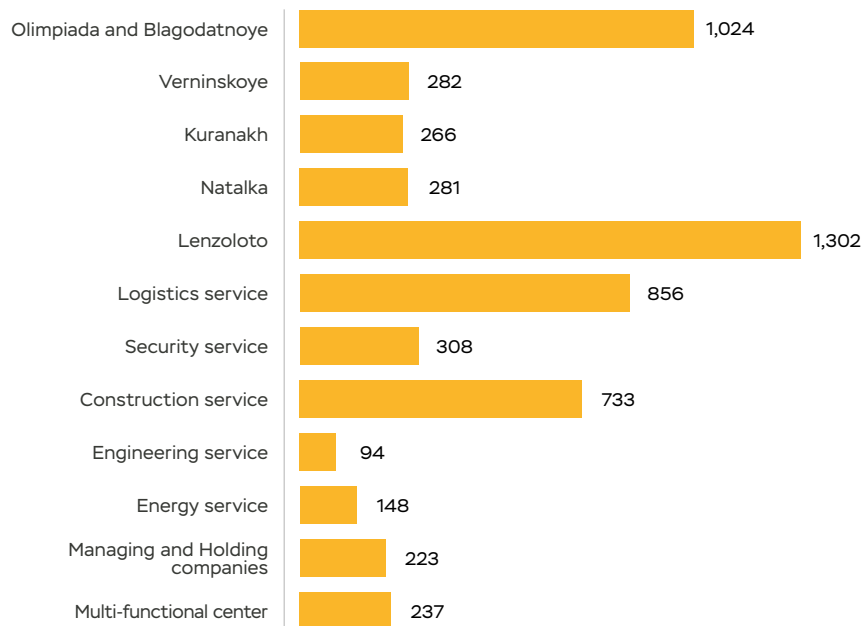
- become acquainted with the Company;
- learn professional theory and practical skills;
- become acquainted with specialised software;
- attend master classes given by leading laboratory specialists;
- try their hand at production-related case studies and tasks for professional development.



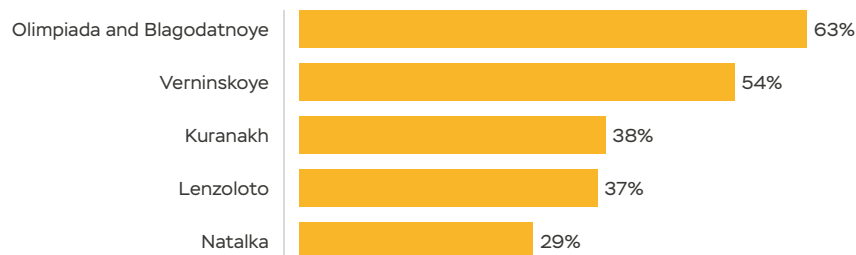
LESSONS LEARNED

Motivating students via internship programs is an important initial step to developing new professionals in our sector.

EMPLOYEES HIRED IN 2020, BY BUSINESS UNITS AND SUPPORT SERVICES



PERCENTAGE OF MANAGERS AND SPECIALISTS RECRUITED LOCALLY, 2020



CASE STUDY

DIALOGUE BETWEEN STUDENTS AND MINERS

We hold meetings with students in various formats and covering a range of content, including discussing which skills young professionals need to build a career in the mining industry. Internal experts from the Polyus HR Department and top managers at the Company participate as speakers, alongside vice presidents and managing directors. During these meetings the following issues are raised and discussed:

- how to do an internship at the largest gold mining company in Russia;
- how to secure a job with Polyus after doing an internship; and
- the qualities you need to develop to build a successful career.

Also, in 2020, our HR managers took part in a summer online school, providing input to a competition called Three Sciences. HR managers told participants about practical tools to help in securing an internship (and, of course, a first job). Overall, it is our core business units that have the greatest need for trainees and young specialists.



LESSONS LEARNED

It is vital to participate in gatherings and competitions with students in order to understand what it takes to develop a successful career in the mining industry regarding this sector.

HUMAN CAPITAL CONTINUED

PROVIDING OPPORTUNITIES FOR YOUNG PROFESSIONALS

The younger generation is of great importance to Polyus, and the Company makes concerted efforts to improve the quality of their education. Polyus has good relations with leading local universities (Siberian Federal University, Irkutsk National Research Technical University, and North-East State University), and at these the Company conducts graduate programs, while Polyus business units (including the Engineering service) offer internships to students. In the near future, Polyus plans to launch targeted training projects to create qualified employees for its research and development assets. Under these programs students will obtain special training at universities, in order to be able to meet Polyus requirements. The most talented students will secure scholarships and complete internships at Polyus. As they near graduation, students are offered roles by the Company. Postgraduate students who have passed a competitive selection process are taken on for internships as part of the corporate training program. The Company provides students with an opportunity to combine work and study, try their hand at practical projects, gain and develop practical knowledge and, of course, under the guidance of a mentor, prepare their doctoral thesis.

CASE STUDY

PROGRAM 'DO YOU KNOW THE REAL VALUE OF GOLD?'

This program has been operating at Polyus since 2008 and reaches a huge range of students from specialized target universities, colleges, and technical schools: over 40 professional educational institutions in the country participate. It offers student internships at one of our gold mining units, and enables participants, under the guidance of experienced mentors, to become real professionals. This comprehensive industrial practice program operates from Krasnoyarsk to Magadan and admits around 400 students annually.



LESSONS LEARNED

Students need comprehensive exposure to industrial practice in the mining sector in order to acquire all vital knowledge they need from professionals, such as Polyus mentors.

OPEN DIALOGUE

During 2020, the Polyus Multi-functional Center in Krasnoyarsk experimented with a meeting with students in a new format: 'Open Dialogue'. Over 40 Siberian Federal University students, along with teachers, economists, accountants, tax specialists and HR and IT specialists from the Polyus MFC took part. During the Open Dialogue session students and teachers, together with the heads of the functional areas of MFC Polyus, Polyus Logistics, Polyus Project, and Polyus Krasnoyarsk, discussed and expressed their expectations and ideas about industrial practice, career growth, and the values of different generations.



LESSONS LEARNED

Students and young specialists at the beginning of their career are often keen to impress and express their thoughts directly to the top management of the Company.

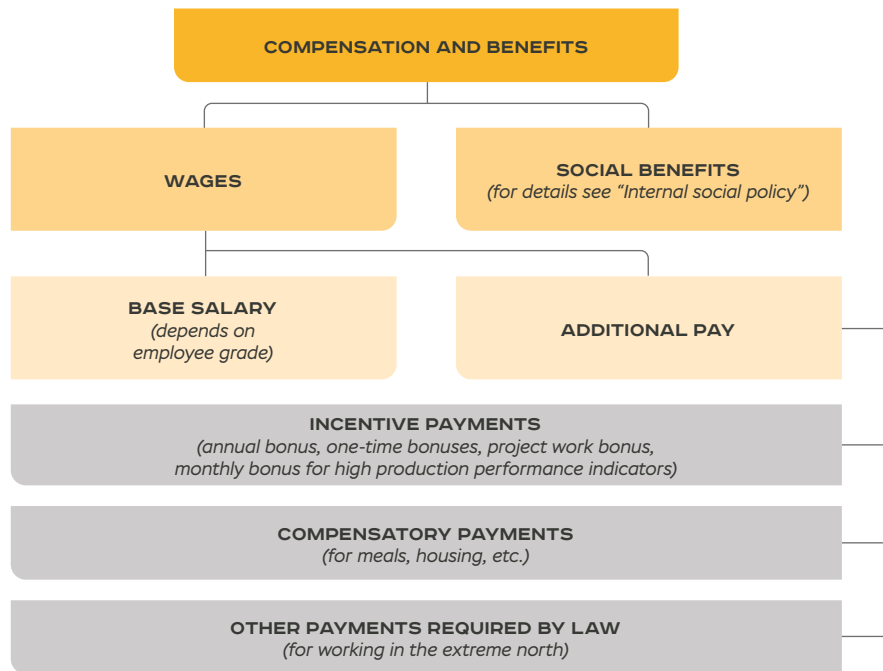
INCENTIVIZATION

Providing good rewards is the principal way to incentivize workers to perform effectively. The internal Incentive and Reward Arrangements for Workers Policy is a fundamental document at Polyus and formalizes the main elements of worker pay and benefits (base wage and additional compensation). The base wage level is based on evaluation of an employee (the organization uses a grading framework). Compensation and benefit packages in 2020 remained the same as in 2019.

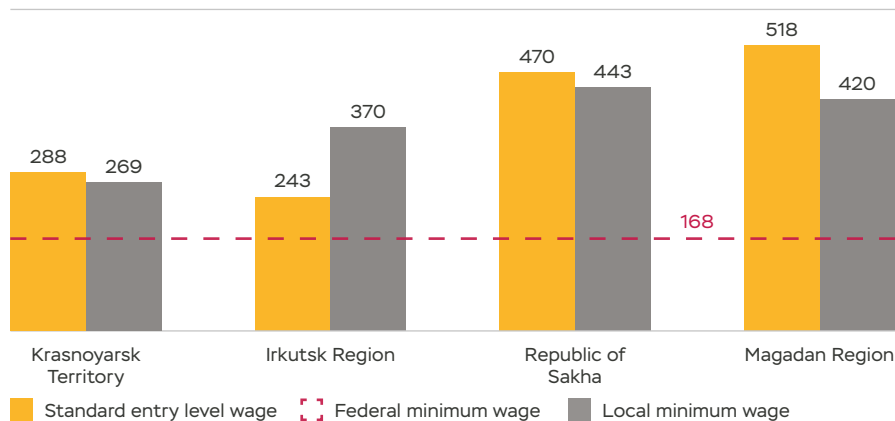
In addition to the base component, rewards can include extra wages, including incentive payments (contingent upon the attainment of KPIs). As part of efforts to improve the rewards system at the Company we have enhanced our management of the KPI framework. Polyus has created a “tree of objectives” at all business units, with operational KPIs for all workers, regardless of their position. The IT system currently permits the individual KPIs for each position to be viewed online. Furthermore, specifying and monitoring KPIs at business unit level helps to align them with the Company’s operational objectives and employees’ individual goals. In general, the more automated the system, the more transparent and measurable the KPIs.

Supporting and rewarding high-performing employees is important in order to keep their motivation levels up. The Company seeks to pay salaries in line with or above the market average. Entry-level salaries at the organization are higher than regional minimum salaries in all business units. For example, the entry-level monthly salary in the Magadan Region is \$518, which is approximately 25% more than the local minimum wage and almost triple the federal minimum wage for 2020.

THE POLYUS COMPENSATION AND BENEFITS PACKAGE



STANDARD ENTRY-LEVEL MONTHLY WAGE AT POLYUS VS LOCAL MINIMUM WAGE BY BUSINESS UNIT, 2020, \$



HUMAN CAPITAL CONTINUED

INTERNAL SOCIAL POLICY

Polyus recognizes that good social security and pleasant working conditions are essential to ensure the high performance of its people. As well as a base salary and bonuses, the Company offers a range of social benefits, including paid maternity/paternity leave. Life, death, and wellbeing insurance packages are also offered to employees, irrespective of their position. Polyus strives to maintain the wellbeing and quality of life of employees and their families, assisting them through any challenging life circumstances. The Control of Insurance, Remuneration, and Benefits Policy relating to workers is fully implemented at both the head office and business units. Social assistance, which forms part of our social support system, is aimed at boosting work productivity and offering better a level of insurance and benefits than those prescribed by law.

POLYUS' SOCIAL SUPPORT SYSTEM

CARE FOR WORKERS AND THEIR FAMILIES

- Voluntary life and health medical insurance
- Additional vacation
- Meals and transport compensation
- Access to sports clubs

SUPPORT FOR FAMILIES WITH CHILDREN

- Monetary assistance during marriage/the birth of a child

EMPLOYEE SUPPORT IN CHALLENGING LIFE SITUATIONS

- Financial assistance in case of unanticipated events, the death of an employee or their relative

EMPLOYMENT BENEFITS

- Corporate mobile communications
- Company vehicles

RELOCATION PACKAGES

RETIRED EMPLOYEE SUPPORT

SOCIAL AND LIVING CONDITIONS AND INFRASTRUCTURE

Most Polyus business units are located in regions where extreme climatic conditions prevail, and this requires both rolling work schedules and comfortable living standards. The modern approach that we adopt is to make and carry out long-term plans to improve the main features of social infrastructure. In 2020, the Company continued to develop our roadmap for social infrastructure and living conditions. For example, Polyus built dining rooms and hostels in the Magadan Region. However, in order to keep workers safe during the COVID-19 pandemic, Polyus postponed most social infrastructure projects.

TRAINING AND DEVELOPMENT

“



We unlock employee potential and offer exciting career opportunities for both new graduates and experienced professionals. Our people are our greatest asset, and we support them in both their careers and their personal development. The Company provides mentorship programs, and encourages employees to develop their skills and abilities to the highest possible level."

JULIA ANDRONOVSKAYA

RECRUITMENT AND PERSONNEL DEVELOPMENT DIRECTOR

Having a skilled workforce is important, since the gold mining industry is technically very advanced. Most companies operating in this sector face a global and local shortage of professional staff. Polyus is no exception, and hence actively supports and develops its staff training system, improves the talent pool, and works closely with educational institutions. Polyus offers various training programs for all positions in order to develop workers' potential and to help them hone and improve their skills. In order to comply with relevant certification needs, workers have to undergo various professional and corporate training programs at all business units.

At Polyus, we also actively develop our mentoring programs. The main objective of a mentor's role is to help new joiners integrate into the work process. New employees can easily distinguish a mentor from other colleagues, through a special badge on their uniforms or a special logo on their helmets.

As part of the program, Polyus has developed concise but comprehensive Mentor Handbooks (containing instructions related to the mentoring process and checklists for working with new joiners). In addition, mentors are trained (including via business simulations) at the Company's training centers. Due to COVID-19, in 2020 we partially transferred training to a remote format, with 80% of mentors completing their training online (127 out of 161). We will monitor the implementation of the mentoring program going forward. In 2020, there were 591 employees in the mentoring pool, and almost half (47%) of these – 277 mentors – were involved in training new joiners.

In 2021, the mentoring program will be actively developed. For example, it is planned to update the various methodological tools, to inform line managers in more detail about the mentoring system and to ensure that regular meetings between business unit leaders and mentors are held.

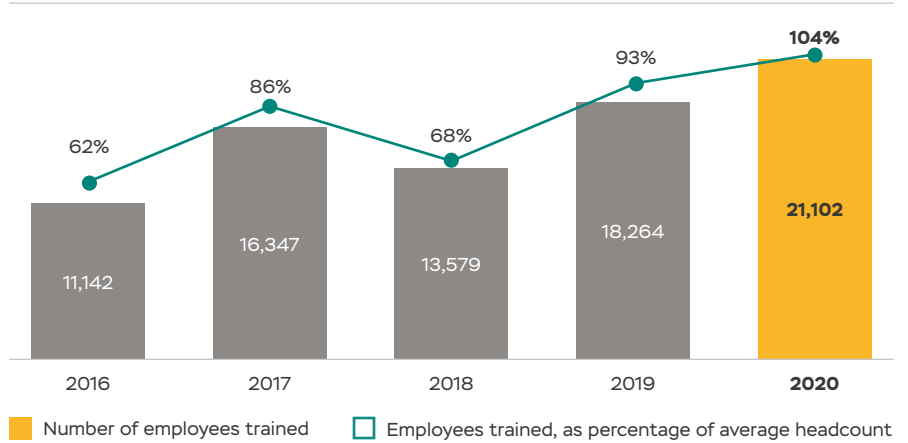
FOCUS AREAS OF THE POLYUS TRAINING SYSTEM



HUMAN CAPITAL CONTINUED

Polyus operates a corporate university' framework, which consists of two sub-systems (for professional specialists and workers), and offers educational improvement programs for workers, managers and specialists. Polyus carefully assesses its investment in work-related trainings to ensure that they are both adequate and effective. The majority of workers undergo compulsory examinations in accordance with training programs. For example, in 2020 the SAP Success Factors system comprised an examination component. Additionally, the line managers of trained personnel take part in a survey and evaluate the trainings, as well as their practical application and results.

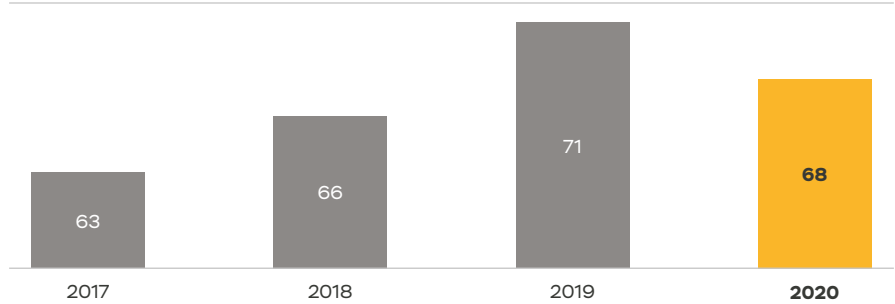
NUMBER OF EMPLOYEES TRAINED, 2016-2020¹



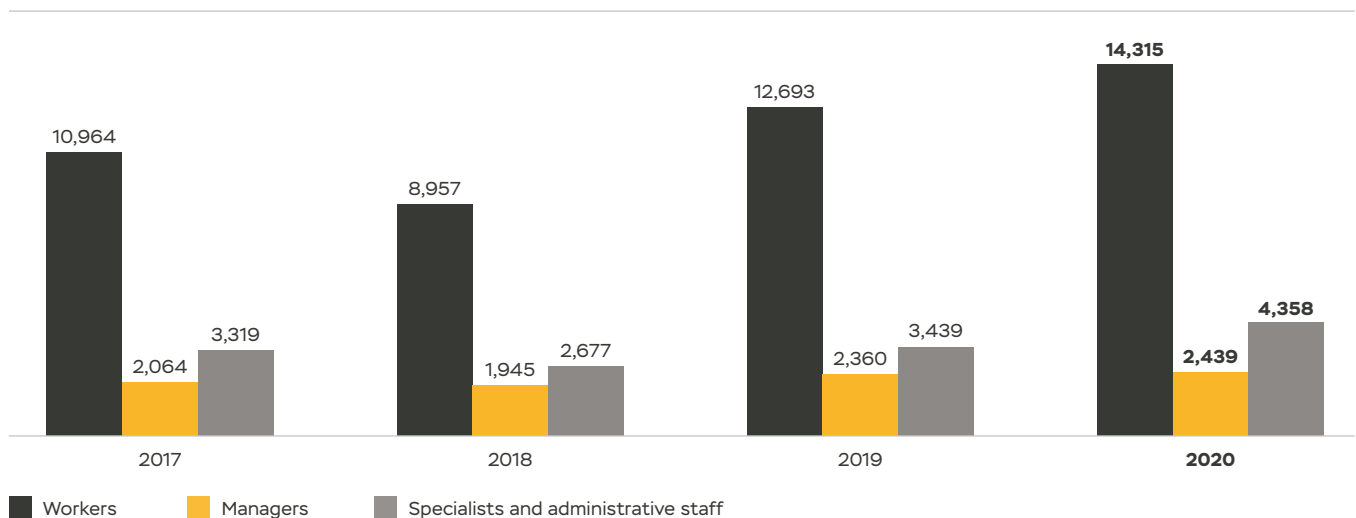
GRI 401-1

In 2020, the number of workers trained during the year rose by 16% and made up approximately 104% of the Company's average headcount. The average number of training hours per employee was 68, which was 4% less than in 2019, due to the COVID-19 pandemic, which necessitates social distancing measures.

AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE, 2017-2020



NUMBER OF EMPLOYEES TRAINED BY CATEGORY



¹ Figure "NUMBER OF EMPLOYEES TRAINED, 2016-2020" represents the number of individual employees trained (21,102). The sum of employees trained within all categories (21,112) differs from the number of unique employees trained, as it includes a double-counting of employees that transferred from one category to another during the year and received educational training in various categories.

In order to develop employees' knowledge about internal business processes, the Company established the Polyus Knowledge project. The project covers important management issues and helps workers improve required competencies and demonstrate that they have effective and necessary skills.

In 2020, Polyus Knowledge program trainings were conducted both in class and online, due to the COVID-19 pandemic. The number of trainings delivered was 39, which exceeded expectations. The total number of attendees was 621.

The trainings covered the following topics: Leadership, Project management, Effective communication, Finance for non-financial staff, Procurement management, Recruitment, Culture of effectiveness, and Presentation skills.

In November 2020, an additional online course on Feedback was introduced, which is particularly timely in the current pandemic situation.

In 2020, Polyus introduced 28 new courses for managers and workers, including for hydro-metallurgists and bulldozer drivers.

OPERATIONAL EFFICIENCY

Following the launch of Polyus' new educational stream on operational efficiency at the corporate university in 2019, 2020 saw the next stage with the enrolment of additional managers to take part in the 'Foundation of the Production System' program. This operational efficiency training programs is very practical and relates to business assignments undertaken by the Production Efficiency Department. Each training module consists of practical tasks containing case studies related to operational efficiency. Another educational stream that continued is a training program for project managers and project teams involved in major construction works. This training includes the most comprehensive and up-to-date domestic and international practices. In addition, this program facilitates the introduction of in-house procedures and regulations related to project management and major construction projects.

CASE STUDY

FEEDBACK AND THE GROWTH MINDSET

Feedback contributes to improving the efficiency of employees, optimizing processes, the timely completion of projects, and other positive changes in the Company.

Polyus' new online course Feedback teaches how to correctly request, provide, and receive feedback, which in turn contributes to even more effective work and the development of professional competencies.

In 2020, 507 employees completed the Feedback course, and 96% of employees who evaluated the course rated it highly.



LESSONS LEARNED

Polyus staff can ease the way to improving their professional competencies by using feedback systems.

GOLD MINING: STEP-BY-STEP

The course consists of basic information about gold mining production processes. It comprises seven sections that teach about all stages from prospecting for new deposits, drilling and blasting operations and mining, its transportation and processing, doré alloy production, and the technologies and equipment used in the Company.

The online course allows the Company's fields to be visited remotely and for participants to get acquainted with the various stages of the production process. In addition, there is a virtual personal assistant who can answer questions.

In 2020, 1,576 employees completed the course, and 96% of employees who evaluated the course rated it highly.



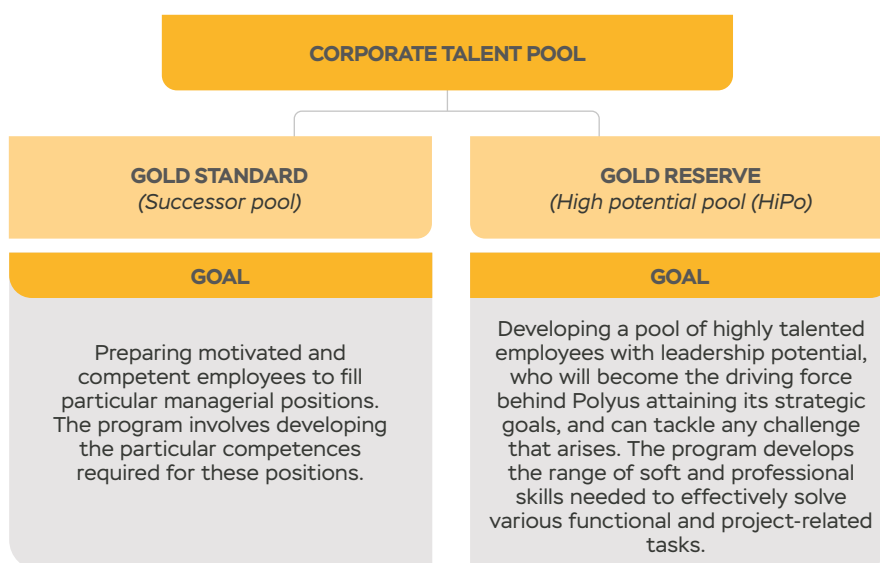
LESSONS LEARNED

Developing an online course for employees on gold mining processes helped Polyus maintain its program of trainings during COVID-19.

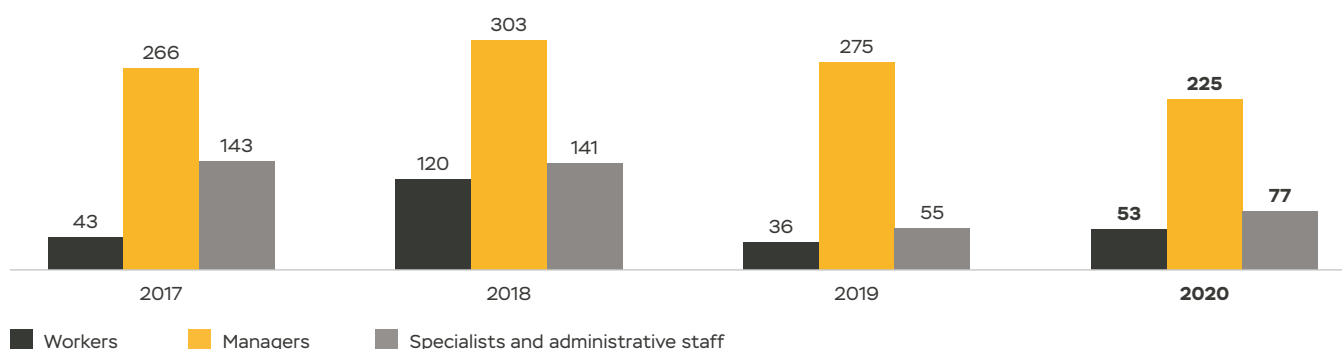
HUMAN CAPITAL CONTINUED

CORPORATE TALENT POOL POLYUS CORPORATE TALENT POOL STRUCTURE

Polyus appoints specialists to senior positions through the Corporate Talent Pool program, which plays a vital role in developing and identifying skilled and motivated people. Polyus has two programs: Gold Standard and Gold Reserve. Under the Talent Pool regulations an employee must pass three steps: (i) selection, (ii) development, and (iii) evaluation in order to be included to the Talent Pool. The Company also sets professional assignments during the selection process. The Talent Pool database stores information related to employees who have passed the selection process at corporate and business units.



CORPORATE TALENT POOL, 2017-2020



CORPORATE CULTURE DEVELOPMENT

Developing the corporate culture is one of the main ways that the Company can increase organizational dynamism and efficiency. The cultural development strategy gives an insight into the Company's aims and objectives. The corporate culture within the Company is geared towards embracing the principles of trust and cooperation and fostering high performance levels through the implantation of shared goals and adherence to corporate norms.

No assessment of personal engagement was performed in 2020 due to the COVID-19 pandemic. Hence, the next assessment will cover two years and is planned to be held in 2021. This will help to achieve greater efficiency, allow areas for development to be identified, and enable the results of changes to be monitored.

In 2019, Polyus successfully ran corporate social projects such as the second Polyus Professional Skills Championships and the seventh Polyus Olympics for Professional Specialists. However, due to COVID-19, in 2020 Polyus postponed most social activities and projects to 2021.

CASE STUDY

MENTORSHIP PROGRAM TO HELP EMPLOYEES SUCCEED GOES ONLINE

Interest in the Polyus mentoring program, which is actively promoted by the Company's management, is steadily growing, the online training format notwithstanding.

The goal of Polyus is to increase the number of mentors to 10% of the workforce at all business units. The plans are to have mentors in all divisions without exception, at every shift, and in most specialties, especially those most in-demand. These are usually related specialties, hence mastering several professions at once is required.

LESSONS LEARNED

Mentors are needed to help both new and experienced employees quickly absorb the skills and knowledge of mentors, as well as the organization's cultural and social norms.

PERSONAL GROWTH CLUB AT VERNINSKOYE

Employees at Polyus Verninskoye can unwind at the brain training club which has opened at the business unit's accommodations camp. Club events take the form of games and allow employees to relax after a hard day. In the classroom, participants tackle tasks that help develop inventiveness and communication and teamwork skills. Such activities help reduce employees' stress levels. The club is open not only to Verninskoye employees, but also contractors.

LESSONS LEARNED

Club events are essential to increase job satisfaction and reduce stress among employees.

HUMAN CAPITAL CONTINUED

VOLUNTEERING

In 2020, a corporate volunteering program ran in various Polyus business units. Its members provide assistance to those in need, take part in environmental campaigns, and donate blood.

Volunteering increases team cohesion and allows the younger generation to make friends and bond with like-minded people. Participation in charity events and the organization of social projects helps develop personal and professional skills, and generates positive emotions from communicating with colleagues. Volunteers have an opportunity to contribute to improving the quality of life of others and to express and demonstrate concern for the environment. A number of important events are scheduled for Polyus in the near future, including the unveiling of our Online Volunteer School, the launch of a competition to win grants for the implementation of social projects, and setting up a forum for volunteers in Moscow.

Polyus has introduced guidelines to determine the main approaches to organizing and managing corporate volunteering activities. The guidelines cover:

- the principles of corporate volunteering;
- procedures and mechanisms for implementing the corporate volunteering program;
- potential systems for managing volunteering activities at head office and business unit level and how participants can interact during the process;
- key types of volunteering activities;
- the support procedure and types of support;
- methods of communication support; and
- the procedure for evaluating efficiency and reporting.

The Company supports volunteering initiatives and promotes this area so as to help address the following social and environmental issues:

- improving the conditions and quality of life of vulnerable groups;
- solving environmental issues;
- supporting wildlife; and
- supporting NGOs.

The volunteering body in the Company acts under the Polyus corporate brand and unites all the Company's volunteers.

Key volunteering areas and projects are determined for one calendar year. The Company can independently decide which areas and activities take priority, based on the needs of local communities, the territories of operation, and the business strategies of Polyus.

When running volunteering projects during working hours, health and safety are maintained in accordance with the Russian Labor Code; the Labor Protection, Industrial Safety, and Environmental Protection Policies of the Company; and the Polyus' Golden Safety Rules.

CASE STUDY

NEW YEAR'S EVE IN BODAIBO

On New Year's Eve Lenzoloto employees organized a number of unusual charity events. For example, at a school in Bodaibo a Polyus team, along with the pupils, played various games related to traffic rules. The kids had to remember what various road signs meant and there was a discussion about how pedestrians could avoid getting involved in traffic accidents. At the end of the event the pupils were given presents.

LESSONS LEARNED

This social responsibility project positively affected the wellbeing of pupils, since they will use the knowledge obtained in their daily life.

CASE STUDY

NEW YEAR'S MIRACLE FOR KIDS

In 2020, children in the Aldan Region were presented with New Year gifts from Polyus Aldan Managing Director Alexey Noskov. Volunteers from the public organization Generator SAM dressed up as Santa Claus and Snegurochka (a character from Russian fairy tales), and together with the Center for Social and Psychological, which supports families and young people, visited children with disabilities and gave presents.

LESSONS LEARNED

In order to create more generous and positive workplace environment it is essential to support vulnerable social groups.

PLANS FOR 2021 AND THE MEDIUM TERM

The HR management system is always a key area of interest for the Company. Polyus introduces new initiatives annually, automates processes, and incorporates the latest global good practice. In the next reporting period and the medium term, Polyus intends to roll out initiatives in the following areas:

- developing an organizational model;
- transformation of the Corporate Talent Pool system;
- increasing compensations and benefits for a wider matrix of competences;
- rolling out the Regulation on the Adaptation of Personnel at all business units and support services;
- preparing long-term plans to develop the broader social and living environment;
- developing interaction programs with universities and selected key institutions;
- developing a suite of e-learning training courses;
- holding an employee engagement and satisfaction survey; and
- replicating the volunteering movement across all regions of operation.



HEALTH AND SAFETY



SAFETY CULTURE LEVEL OF 2.6 POINTS UNDER THE BRADLEY SCALE

2.6

LTIFR

0.10

FATAL INCIDENT IN 2020

1

MATERIAL TOPICS:

- Occupational health and safety
- Emergency preparedness

KEY EVENTS:

- Developing and successfully implementing a number of measures and procedures to prevent the spread of COVID-19.
- Focused risk-management activities related to injury prevention.
- Applying ICMM principles and standards to improve the health and safety management system.

GLOBAL SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES



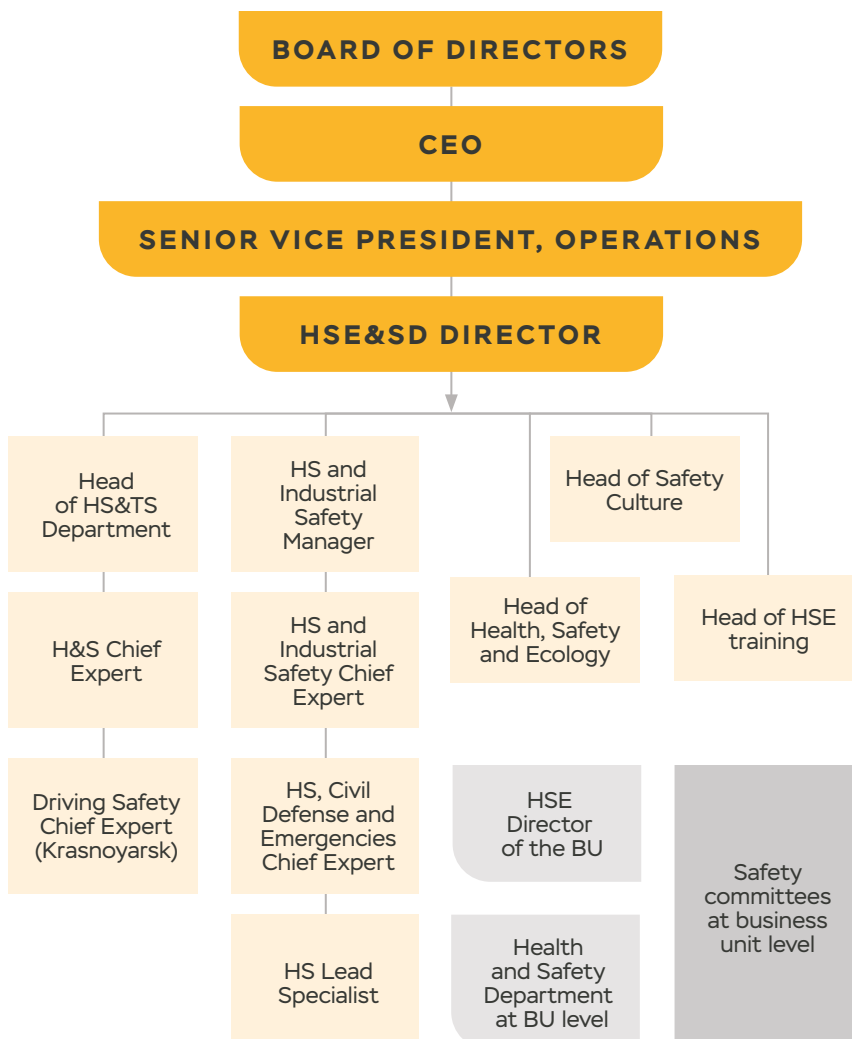
¹ Risk-management.

² Health and safety.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Zero fatalities.	In process	The fatality rate in 2020 was 0.005 (0.004 in 2019).
Improving the safety culture level.	Achieved	The safety culture level improved in 2020 to 2.6 (2.4 in 2019).
Reducing the automotive accident rate (AARK).	Achieved	AARK fell to 0.19 (0.28 in 2019), on the back of a reduction in tipping-over accidents.
H&S competency development via corporate health and safety training programs.	Achieved	HSE minimum level: 97% of employees were trained. HSE Leadership program: 100% of line managers trained.
Reducing the number of alcohol and drug abuse cases.	Achieved	The number of alcohol abuse cases fell to 110 (↓37%; 177 in 2019) and drug abuse cases to six (↓60%; 15 in 2019).
Reducing the occupational disease rate	Achieved	The number of occupational disease cases dropped in 2020 to two, down from five in 2019.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Health, Safety, and Environmental Policy
- Substance Abuse Policy
- Transportation Safety Policy
- Golden Safety Rules
- Integrated HSE management system and its standards:
 - HSE Leadership
 - Hazard Identification and HSE Risk Management
 - HSE Event Management
 - HSE Trainings
 - PPE
 - Medical Treatment and Response
 - Contractor Safety Management
 - Traffic Safety Management
 - HSE Management system Auditing
 - Behavioral Safety Audits

External

- ISO 45001

HEALTH AND SAFETY CONTINUED

MANAGEMENT APPROACH



The health and safety of our employees is crucial to our business – because without them, we cannot operate effectively. The Company aims to achieve zero severe injuries, zero fatalities and preventing accidents. We work tirelessly to eliminate health and safety risks, and we run numerous initiatives and campaigns to build a strong safety culture at Polyus."

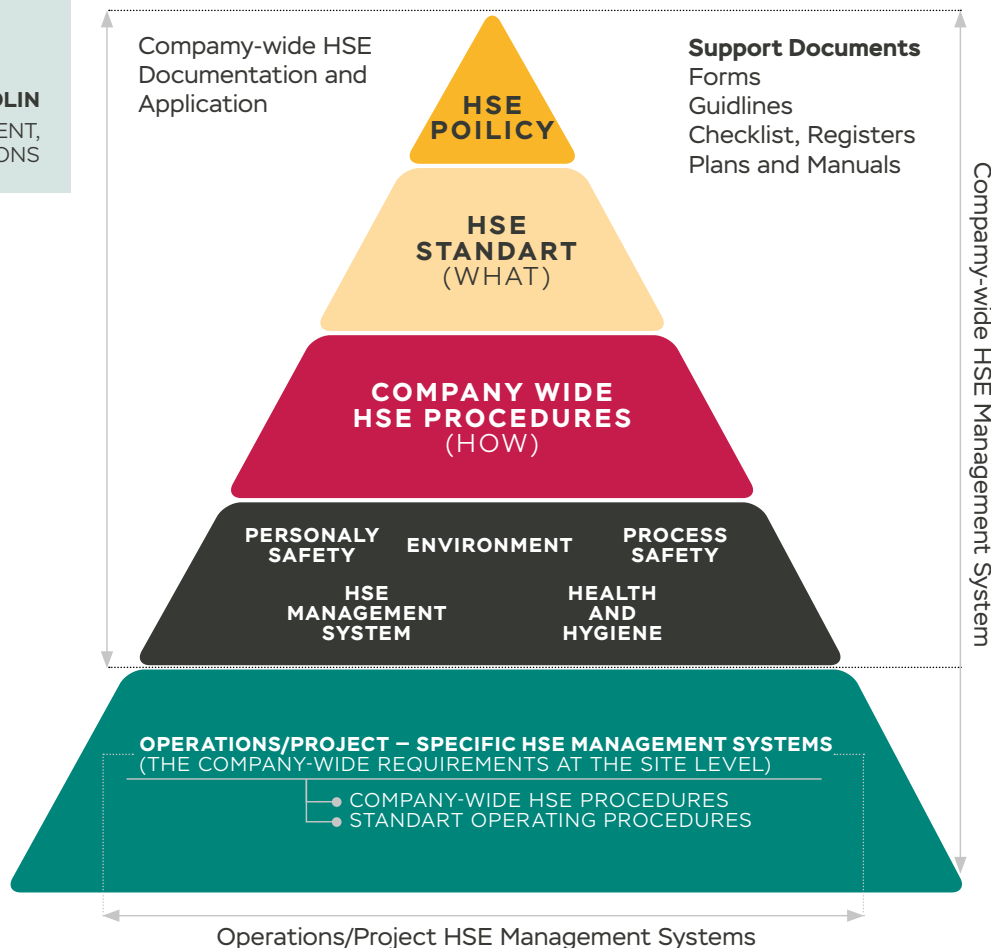
VLADIMIR POLIN
SENIOR VICE PRESIDENT,
OPERATIONS

GRI 403-1

At Polyus, occupational health and safety is a top priority for all employees. We always strive to comply with current trends and best international practices in this area. Effective process management and systematic improvements to the safety culture help the Company save lives and maintain the health of our people – the most valuable asset that we have. For Polyus' management, the main goals in the area of health and safety are to ensure the prevention of incidents at work and work-related illnesses, reduce the risk of accidents at work, and promote safe and healthy behavior among all employees.

The coronavirus disease (COVID-19) brought the world to a halt in March 2020 and forced us to alter the main focus of our activities. At the beginning of the year our primary goal was to safeguard our employees and contractors from COVID-19, and in this regard new preventative measures and procedures were successfully implemented within a very short time.

Our integrated HSE management system includes systems that comply with ISO 45001 and ISO 14001 standards. The system is certified until 2021 and covers the Managing company and all business units and support services. Processes and procedures within the health and



safety system are integrated into all levels of activity, from development strategies to daily operational issues. The core management process is risk management and leadership; in addition, the Company encourages personal initiatives, and best practices in the field of occupational safety are consistently implemented. Strategic decisions in the area of occupational health and safety, as well as the environment, are assessed and taken by the Senior Vice President, Operations. The HSE&SD Director and the directors of business units are responsible for the direct implementation of these decisions.

GRI 403-8

All Polyus employees and contractors are covered by the H&S management system. Employees of all business units and support services are also covered by an externally audited and certified integrated HSE management system.

GRI 403-2

Adopting a risk-orientated approach is a top priority. Polyus achieves high injury prevention results through risk assessment and management. The management system at each business units includes risk management, emergency plans and response measures, an incident reporting system and mechanism to capture lessons learned, personnel training, and a system of corporate e-learning and trainings. The Russian federal law special work conditions assessment process is used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls according to national requirements in order to eliminate hazards and minimize risks. The process of special

work conditions assessment is conducted by an external service company with an accredited laboratory. Polyus' internal risk identification procedure serves as the basis for compiling a register of risks and mitigation measures to manage identified risks and HSE deviations – and preventing their reoccurrence. The Company also has an internal process for performing detailed hazard analysis and risk assessments of operations. This is conducted by line managers within working groups, who take decisions related to risk levels and control measures.

In the event of high risk to health and safety, any employee can call a stop to the work and report a hazard and it's characteristics to the responsible person (management) at any moment of the technological process. Each accident is investigated by an internal committee with the participation of a government labor inspector and/or an inspector from the Russian Federal Service for Ecological, Technical and Atomic Supervision, if needed according to national requirements.

The main integrated HSE management system document is the Health, Safety, and Environmental Policy. This supports the Company's basic principles and approach to improving related processes. Based on this policy, standards are regularly created and updated to govern the safe performance of work and are applicable for all facilities. The main focus here is critical risk management. In order to develop this area, a working group has been set up which includes the vice-presidents of the Company.

“



As Russia's largest gold miner, Polyus needs to lead by example – and nowhere more so than in health and safety. We always put the wellbeing and safety of people – employees, contractors, local communities – first. Although 2020 was a difficult year, we were able to respond flexibly and speedily to the COVID-19 pandemic, and to implement effective measures and procedures which minimized health risks while maintaining production."

VALERIY TUSHEVSKIY
HEAD OF HS

HEALTH AND SAFETY CONTINUED

IMPROVING THE SAFETY CULTURE

Achieving and sustaining a strong safety culture is a key objective for the Company. To achieve this goal, we focus on fostering a culture in which issues such as safety can be discussed openly and respectfully. Feedback collected from those working on the frontline is used to enhance the safety culture and health and safety procedures.

Worker engagement is an essential element of the H&S management system for Polyus. We ensure that workers and their safety and health representatives are consulted, informed and trained on all aspects of H&S, including emergency arrangements, associated with their work.

GRI 403-4

As a responsible employer we make arrangements for workers and their safety and health representatives to have the time and resources to participate actively in the processes of organization, planning and implementation, evaluation and action for improvement of the H&S management system.

In accordance with national laws and good practice, the Company ensures the establishment of health and safety committees at business-unit level with participation of workers' safety and health representatives if necessary. The main H&S communication channels are as follows:

- meetings of the central safety and safety committees at business unit and support services level;
- meetings between the Managing Company H&S managers and business units and support services;
- information campaigns on H&S risks and hazards;
- H&S instructions;
- H&S reviews and audits;
- communications via email, telephone, and mobile devices; and
- informing staff via information stands, posters, videos, and corporate publications at business-unit level.

We believe that a strong safety culture is one of the main foundations of a strong internal corporate culture. Changing our organization's culture to one that is safety-orientated is a process, not an event. We try to involve each and every employee in safety culture processes. Senior managers, plant operatives, corporate safety and health professionals, shop employees – everybody is responsible for the people and area they supervise. Our system focuses on how to create a strong safety ethic that resonates throughout our organization.

The safety culture level is a key focus of the health and safety system. To improve it, Polyus developed in 2020 and presented to the Board of

Directors in early 2021 a safety culture strategy, whose implementation is planned to take place between now and 2027. Key aspects of this new strategy focus on human and organizational culture, risk management and related values, and includes increasing the importance of safety issues for the Company by updating the HSE Policy.

Polyus' management annually prepares a comprehensive development plan for each business unit. The plan to develop the safety culture forms part of this, and comprises 14 safety management elements established according to the internationally recognized Bradley scale.

CASE STUDY

ANONYMOUS SURVEY TO BRIDGE THE GAPS IN OCCUPATIONAL HEALTH (SAFETY CULTURE)

As part of the final audit of the safety culture an anonymous survey was conducted, in which 3,188 employees of the Company took part. The survey was held for all levels of staff. Employees answered questions about the safety level at the Company's facilities, the Company's commitment to occupational health, and other aspects of occupational health and safety.

The results of this survey made it possible to analyze the current situation in the Company in more detail and to identify further steps to improve various processes.

The main survey results:

- 100% of Managing Directors are involved in the day-to-day management of health and safety issues;
- 94% of employees believe that nearly all incidents are investigated;
- 91% of employees believe the Company provides safe working conditions;

- 88% of employees have a positive attitude to changes in health and safety;
- 87% of employees know they can halt work that violates health and safety principles, and 50% used this right during the year; and
- 83% of employees feel they received quality and appropriate HSE training during the last year.



LESSONS LEARNED

The Safety culture is a complex phenomenon that requires internal study and consists of attitudes, perceptions, values and beliefs, which must necessarily be set in context. The results of surveys help us to develop our H&S strategy and measures to raise the safety culture of the Company.

¹ Health and safety.

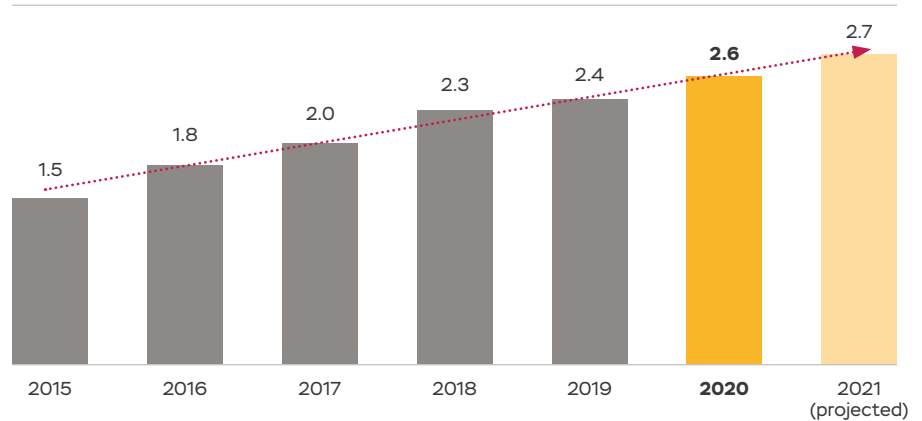
In 2020, Polyus increased its safety culture level score, despite a number of restrictive measures in work processes and procedures due to COVID-19. Our Verninskoye business unit is a leader in the area of safety culture, both in the Company and in Russia, and received a rating of 3.6 on the Bradley scale after an assessment of its safety culture level. This high rate was achieved through employee and management commitment to safe work values, and various programs and projects. For example, back in 2017 the root causes of injuries to employees were analyzed, which helped determine the main areas of risk by type of work and place of production. As a result, Polyus implemented corporate programs aimed at reducing risks of injury. Safety behavioral audits are constantly performed at Verninskoye, and each head of division is obliged to conduct at least two audits twice a month.

The Company's IT Department has developed bespoke software which automatically analyzes information received during audits, and helps provide a full picture of what is going on at business units and forms the basis of an operational report submitted to senior managers, containing such information as where there is a problem that needs to be investigated and eliminated. All practices implemented at Verninskoye are planned to be rolled out throughout the Company.

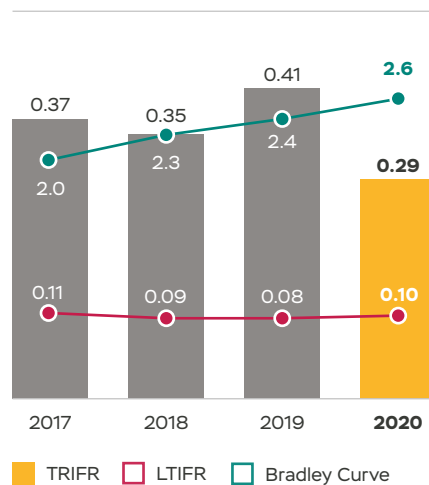
Over the past four years during the period of development and implementation of integrated programs aimed at raising the safety culture level, the safety culture level rose from 2.0 in 2017 to 2.6 in 2020 and the total recordable injury frequency rate (TRIFR) has fallen by approximately 22% in 2020 (vs 2017). For the last year the total recordable injury frequency rate (TRIFR) has fallen by approximately 30% (2020 vs 2019).

The automotive accident rate (AARk) and number of automotive accidents (AAs) also dropped in 2020 (vs 2019), as a result of the improvement in the safety culture level.

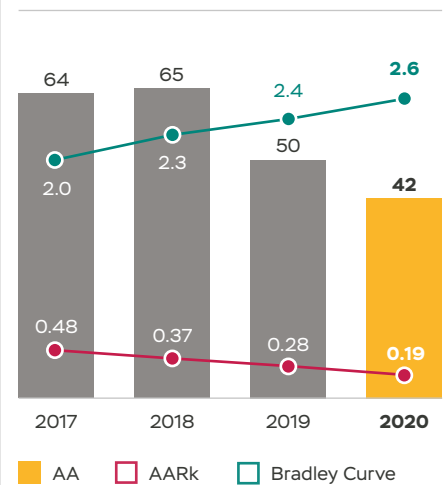
AVERAGE SAFETY CULTURE DEVELOPMENT LEVEL UNDER THE BRADLEY SCALE, 2015-2020



CORRELATION BETWEEN SAFETY CULTURE LEVEL AND INJURY RATE



CORRELATION BETWEEN SAFETY CULTURE LEVEL AND AUTOMOTIVE ACCIDENT RATE



HEALTH AND SAFETY CONTINUED

INJURY PREVENTION

GRI 403-9

Injury prevention is a proactive process that helps the Company determine and eliminate workplace hazards and risks before workers get hurt. We know that these programs are effective in reducing injuries, illnesses, and fatalities. Many workplaces have already adopted such approaches, for example, as part of internal health and safety projects or best practice.

As a responsible employer, and according to national requirements and internal procedures, we assess the risks for our employees at any new workplace or at workplaces with any changes in work conditions, and the preventive and control measures we implement are derived from this assessment. All types of measures mandated by the Russian Labor Code are put in place. The ideal outcome is elimination of the hazards (e.g. designing new work processes) but, if that is not possible, minimizing and separating the hazards from the workers by using the following generally accepted hierarchy of controls:

- technical measures (e.g. encasing, exhaust, blocking systems);
- organizational measures (e.g., special work conditions assessment, including instrumental, only allowing qualified employees to do specified work, trainings, operational instructions);
- personal measures (e.g. wearing PPE, to carry out a particular H&S activity);
- behavioral measures (e.g. peer observation, observation intervention programs, toolbox talks); and
- employee' health insurance against accidents at work, including a social security scheme.

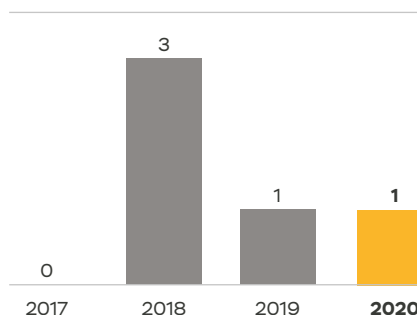
In 2020, there was an increase in the number of injuries compared to 2019., when there were 17 accidents. The main reason was an increase in falls, both on flat surfaces and from stairs. In accordance with Polyus procedures, both internal and government investigations were conducted. Injury reports containing detailed summaries of all related factors connected with workplace injuries indicated that the key causes of accidents in 2020 were:

- lack/insufficiency of leadership and commitment;
- non-compliance with procedures and instructions;
- insufficient / low-quality training; and
- poor hazard identification or inadequate responses to hazardous situations identified.

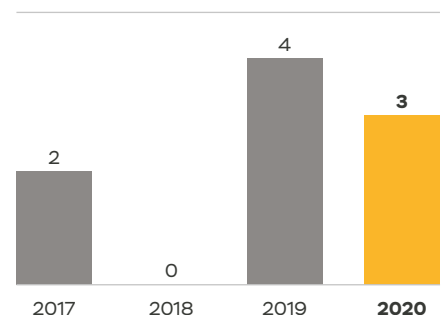
The COVID-19 virus also played a significant role in the rise in the number of accidents, as the resulting increased pressure on employees led to psychological strain (due to the need to comply with additional safety rules).

One accident in 2020 regrettably led to a fatality. The accident occurred during the cutting of a large piece of scrap metal at night, which is a non-routine operation. Following the accident, a special new controlling position was introduced throughout the Company, unscheduled checks began to be performed, and additional duties were introduced. The ensuing analysis identified specific and repeat violations, and a program of measures to eliminate these was developed. One measure, which will be introduced in 2021, is to develop a training site for sling workers, where they will be trained to work safely, with a view to preventing such cases in the future. Existing scrap metal will also need to be stored in a single tier before working with it. According to accident investigations reports analysis no accidents or fatalities were occurred with the representatives of local communities.

TOTAL NUMBER OF EMPLOYEE WORK-RELATED FATALITIES, 2017-2020



TOTAL NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCLUDING FATALITIES), 2017-2020



Polyus appreciates that a non-routine task is an event or activity that occurs infrequently; therefore, details of workplace hazards and protective measures may not be fully analyzed or known by workers who perform the task. In order to prevent incidents during non-routine operations, a list of remedial actions has been developed for all business units:

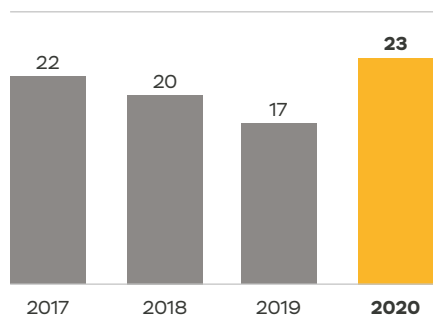
- injury related risk management training schedules were developed for managers and specialist staff;
- leadership and commitment plans were complemented with a mandatory requirement to make lists of and to visit the sites of non-routine operations;
- lighting was installed in hazardous work areas;
- additional certified equipment was acquired; and
- lists of sites of non-routine operations were distributed, with their boundaries identified and safety precautions taken, etc.

The LTIFR rose slightly compared to the previous year: 0.10 in 2020, vs. 0.08 in 2019.

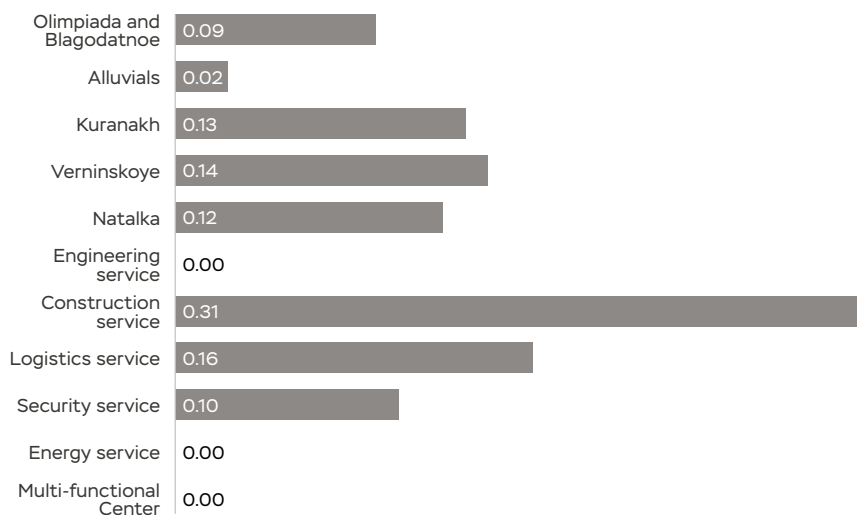
TRI declined to 65 in 2020, a drop of almost 29%. This value for TRI is also the lowest value for the indicator since 2017.

The TRIFR fell significantly in 2020, and the score of 0.29 is the lowest value for the period since 2017.

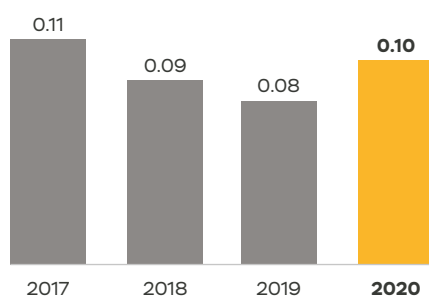
NUMBER OF LOST-TIME INJURIES (LTI) AMONG EMPLOYEES, 2017-2020



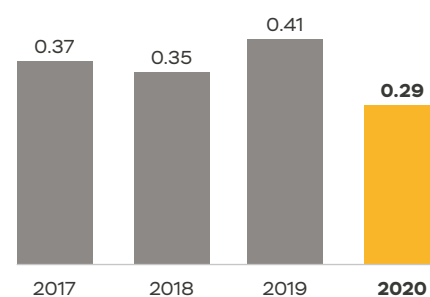
LOST TIME INJURY FREQUENCY RATE (LTIFR) AMONG EMPLOYEES BY BUSINESS UNIT AND SUPPORT SERVICES, PER 200,000 HOURS WORKED



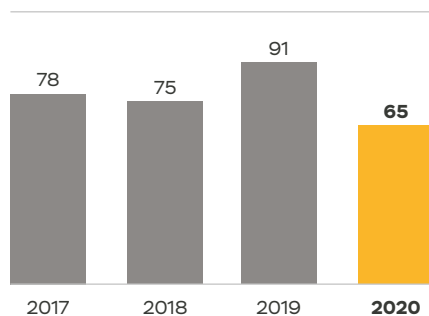
LOST-TIME INJURY FREQUENCY RATE (LTIFR) AMONG EMPLOYEES, PER 200,000 HOURS WORKED 2017-2020



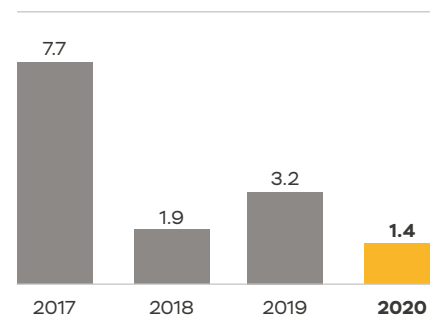
TOTAL REGISTERED INJURIES FREQUENCY RATE (TRIFR) AMONG EMPLOYEES, PER 200,000 HOURS WORKED 2017-2020



TOTAL REGISTERED INJURIES (TRI) AMONG EMPLOYEES, 2017-2020



LOST DAY RATE¹ AMONG EMPLOYEES, 2017-2020

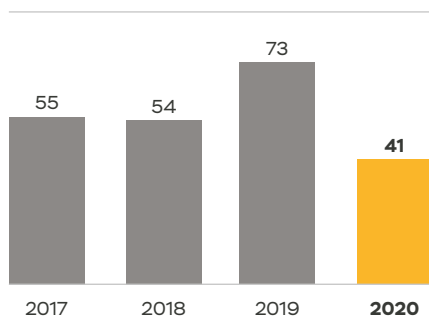


¹ The indicator is calculated as number of days of disability as a result of accidents at work divided by the total hours worked, and multiplied by 200,000.

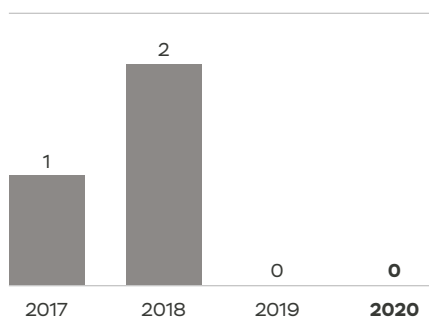
HEALTH AND SAFETY CONTINUED

The lost day rate among employees saw a five-fold fall from 2017. This dynamic testifies to a substantial decline in the severity of injuries, as well as in the MTI indicator (see below), which decreased almost 44% in 2020 compared to 2019.

MEDICAL TREATMENT INJURIES (MTI) AMONG EMPLOYEES, 2017-2020



RESTRICTED WORK INJURIES AMONG EMPLOYEES, 2017-2020



No restricted work injuries occurred in either 2020 or in 2019.

An accident analysis in the context of business units compared to last year demonstrated that the number of accidents at Alluvials halved. The number of injuries at Natalka fell from three to two. There was a rise in the number of injuries in service organizations (eleven cases, versus seven in 2019). Two injuries were registered at Aldan and Verninskoye, however, there had previously been no injuries at these business units for a long time.

The main areas of focus for injury prevention in 2020 were electrical safety, preventing falls, impacts from rotating tools, and road accidents.

To ensure electrical safety, an action plan was devised to minimize the risk for health and safety.

A specific project was undertaken to reduce the risks of electrical injuries. This included the purchase and use of remote voltage indicators and additional electrical insulation materials, which helped prevent the recurrence of accidents that took place in previous periods. The skills of electrical personnel are also now tested as part of recruitment process, using specialized simulators and simulators. Additional checks are carried out by managers to verify electrical staff's knowledge of the work permit system.

The program to prevent falls, both from heights and at surface level, remains a priority program. Since the implementation of planned measures, Polyus has successfully prevented accidents with high potential danger and serious consequences for health and safety. The main activities of the fall prevention corporate program in 2020 comprised:

- All sites participating in the program have dedicated working groups responsible for implementing the program, and approved calendar plans specifying deadlines and the people in charge. Progress status and issues are discussed at monthly meetings of working groups. These groups will continue their work in 2021.
- All lean-to ladders, scaffolding, etc. were inspected, and malfunctioning equipment was decommissioned.
- The most frequently used stairwells were identified, and CCTV video surveillance was installed to monitor employee compliance with the corporate requirement to maintain three points of contact when climbing/descending stairs.

- The 'potential for video surveillance using high-end artificial intelligence technology to identify violations of health and safety requirements by personnel when working at height' was considered, and pilot projects in this area are scheduled for 2021 in Krasnoyarsk, Kuranakh, and Natalka.
- The adequacy of lighting along routes taken by personnel at each functional unit was inspected, and the installation of additional lighting at dangerous sites and along insufficiently lit routes is in progress.
- A training program that includes drills for rescuing injured people was introduced, and; related trainings will continue in 2021.

Measures were also implemented to protect personnel from impacts from equipment and tools and to prevent various miscellaneous risks from arising, including marking and safety blocking mechanisms for moving and rotating equipment parts. We will continue to anticipate risks posed by dangerous components and elements, including dangerous spaces around equipment at sites.

This tightly focused work on specific types of operational risks has allowed us to avoid accidents in the zone of influence of significant factors and to improve the quality of a number of our training programs for specific practical skills.

CORPORATE TRAINING

GRI 403-5

The purpose of corporate health and safety trainings is to equip employees with the knowledge and skills necessary to perform their work safely. Polyus offers a variety of training programs and courses, both in person and remotely.

In addition to running mandatory trainings Polyus implements various associated initiatives, including development programs for training grounds, training centers, etc.

In 2020, training approaches were standardized for all business units of the Company. A list of specific training requirements was formulated, one of which was automation of the training system. In addition, in 2020 the project Production Block was launched, which includes the introduction of electronic passports for employees, containing all information relating to permits, trainings, and briefings.

In 2020, the Company also launched a corporate audit programs, as well as a corporate training initiative for contractors.

Particular attention was paid to leadership issues, and in 2020 Polyus implemented a leadership training program in accordance with ISO 45001, in which, for example, leadership commitments and responsibilities are described in detail, from top management all the way down to foreman. Over the past three years the Company has focused on leadership issues related to top management, but we are now gradually expanding this to lower levels; hence in 2021 it is planned to develop a leadership program for workers.

Due to the availability of online training, COVID-19 did not affect the number of courses taken by employees. However, it did have an impact on training at safety sites, as planned schedules were disrupted, and therefore had to be revised during the year and adjusted.

In terms of the development of important training materials, of note was the creation of audio and video materials on how to carry out hazardous work safety. In addition, a film for contractors was made, which is shown at introductory briefings.

PROPORTION OF EMPLOYEES TRAINED IN CORPORATE COURSES IN 2020, %

Occupational Safety and Health	97%
Industrial Safety	98%
HSE minimum	97%
Improving the Safety Culture and Injury Prevention	93%



HEALTH AND SAFETY CONTINUED

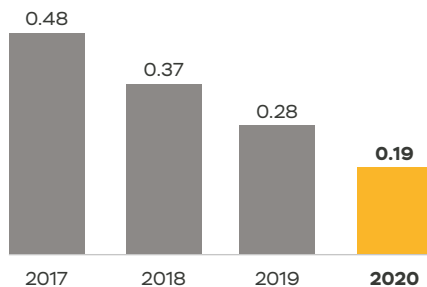
DRIVING SAFETY

GRI 403-2

Driving safety matters to us, our employees, our business, and the general public. It demands the same attention we give to other health and safety issues and deserves to be an important part of our overall workplace safety program.

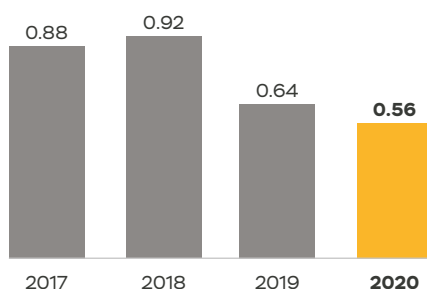
Creating a culture of driving safety starts with the goal to reduce everyone's risks and to make driving safer. In 2020 training for drivers, briefings, en-route inspections, and risk-orientated campaigns were unfortunately restricted, owing to the pandemic; however, we still succeeded in reducing the accident rate.

AUTOMOTIVE ACCIDENT RATE (AARK) PER 1 MILLION KM, 2017-2020



The number of road accidents in 2020 was lower than in the same period in 2019, and this positive trend is sustainably supported by Company projects aimed at promoting and achieving good road safety.

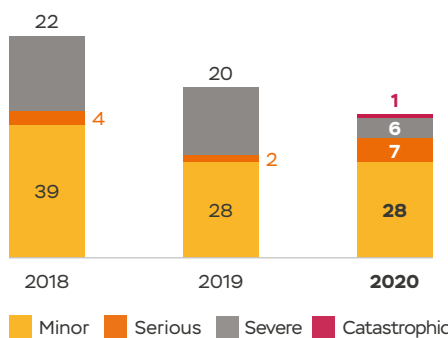
TOTAL AUTOMOTIVE ACCIDENT RATE (TAARK) PER 1 MILLION KM, 2017-2020



The total automotive accident rate (TAARK), which includes all road traffic accidents whatever their severity (light, major, serious, and catastrophic), also declined.

In total, in 2020 42 road traffic accidents occurred in the Company.

ACCIDENT SEVERITY ANALYSIS, 2018-2020



The greatest number of accidents is in the "minor" category with a low potential for danger and severity (scratches, damage in a collision involving a barrier or gate). Leaving the road and tipping over is also a potential hazard and is linked to getting distracted or falling asleep while driving.

According to the Company's investigations, the main causes of accidents in 2020 comprised:

- fatigue/falling asleep while driving;
- non-compliance with the rules for reversing and parking methods;
- driving under the influence of alcohol;
- talking on a cell phone while driving;
- failure to comply with traffic rules and work passports in quarries;
- incorrect actions on the part of the driver during changing road conditions (skidding/destruction of the car in icy conditions, inability to drive uphill in winter, not selecting a safe speed during these conditions); and
- overtaking traffic close to the edge of the road, due to a lack of a proper road surface and an inability to manoeuvre in the center of the road.

In 2020, the number of accidents where a vehicle overturned was 2.5 times smaller than the previous year (eight accidents in 2020, vs. 22 in 2019). This was achieved by conducting risk-orientated 'Risk of Tipping over', Slow Down, and Fatigue Control campaigns for our driver pool and the use of engineered control aids (onboard vehicle monitoring systems, video recorders).

To help identify and avoid hazardous road safety situations it was decided in 2020 to research proprietary solutions, and several commercial road traffic accident prevention systems were tested at field sites.

Also in 2020, the Logistics service completed a pilot project to choose a video recording systems to use in vehicle interiors, for monitoring and analysis of drivers and passengers' actions. High-risk vehicles such as passenger transportation vehicles and those transporting dangerous products were fitted with the system in 2020, and other types of vehicles will be fitted in 2021.

We further plan to gradually equip Polyus passenger transportation vehicles, cargo vehicles and haul trucks in all business units with the Antison system, which prevents falling asleep at the wheel. In 2020 44 vehicles were equipped with the system, and 606 vehicles are planned to be equipped by 2022.

CASE STUDY

ANTISLEEP: THE BEST SOLUTION AGAINST DROWSINESS

Antisleep: the best solution against drowsiness In 2020 a pilot project on the use of anti-sleep prevention systems was completed. Four systems available on the Russian market were tested at field sites. Based on the results of the pilot project in the Logistics service, the Antison system was chosen. It was decided to equip high-risk passenger transportation vehicles and those transporting dangerous products vehicles first, in 2020, with plans to fit other types of vehicles in 2021.

The anti-sleep system is able to:

- recognize and identify each driver;
- detects driver drowsiness and inattention
- automatically sounds an audio alarm and notify the monitoring center if an emergency situation is detected;
- continue to work, even if the communication channel is unstable or the internet is down;
- analyze driver behavior and distractions (smoking, cell phone usage, seat belts); and
- analyze ambient factors: road condition, blind spots, etc.



The measures were implemented as part of the Company's campaigns Fatigue Management, 'Risk of Tipping Over, and Slow Down. Additional measures were implemented for winter driving.

We drew up and implemented a plan of measures to guarantee the operation of technical devices (tachographs), to ensure that all necessary rules are adhered to. We monitor the use of tachographs by drivers, the availability of driver personal cards, and related violations.

Polyus realizes that to prevent vehicle crashes and safeguard employees, we must understand the factors that contribute to such crashes. Identifying hazards and evaluating associated risks are the two essential steps in an effective road safety program. To find the most effective tools, we review services and equipment available commercially, and endeavour to implement best practice where possible. Polyus' Road Safety plan is part of the wider safety culture strategy 2021-2027, and consists of four main components to be managed based on risk assessment procedures:

- road traffic safety management;
- safe road conditions;
- safe vehicles;
- safe road users.

LESSONS LEARNED

Road traffic injuries have a terrible impact on individuals and communities. They involve massive costs to often overburdened health care systems take up scarce hospital beds consume resources and result in significant losses of productivity and prosperity, with deep social and economic repercussions. Using anti-sleep systems to prevent traffic accidents caused by sleepy drivers helps us to monitor the driving parameters of our drivers, analyze them and model safe driving.

HEALTH AND SAFETY CONTINUED

CONTRACTOR MANAGEMENT

GRI 403-9

As the first Russian company to join the International Council on Mining and Metals, Polyus has made a commitment to follow ICMM Principle 5 – ‘Pursue continual improvement in health and safety performance, with the ultimate goal of zero harm’. Our contractors are part of our team in this respect.

A high standard of health and safety is one of Polyus’ basic selection criteria for contractors under the Company’s Contractor Safety Management Standard. Polyus requires all its contractors to adhere to the Company’s internal safety rules and applicable national health and safety requirements. We not only demand strict compliance with a specific list of internal and national requirements, but we also actively help our regular partners develop in the area of health and safety.

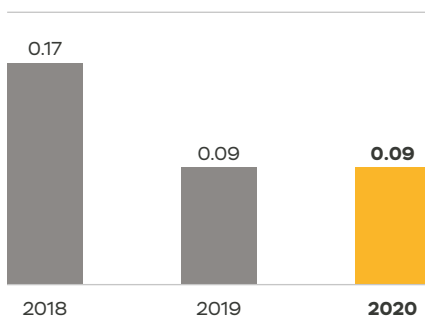
Our Health, Safety and Environment Policy is binding for both contractors and employees. Contractor safety is an integral part of contractor management and is monitored on an ongoing, remote, and real-time basis. This system operates at all our sites, and we work in close collaboration with our contractors. The health and safety of each contractor is important to us, and we believe all of them share our commitment to continual improvement.

All business units have devised and implemented action plans to manage contractor safety. These include all the main health and safety criteria based on risk assessment procedures regarding both products and the service supply chain.

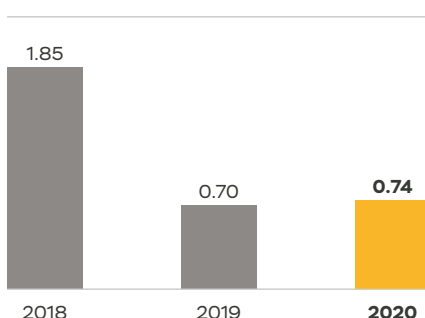
A draft methodology for the contractor’s financial incentives system, based on relevant KPIs, has been developed. The next stage is to coordinate the draft methodology with adjacent functions.

We carefully review the health and safety system in relation to procurement and tender procedures. This includes both desktop reviews and onsite inspections of contractors’ health and safety management systems at the tender stage; also, a pilot project on this contractors’ HSE management systems review was implemented at Olimpiada and Blagodatnoye. During the year we also drafted guidelines for performing health and safety audits of potential contractors prior to awarding tenders.

LOST-TIME INJURY FREQUENCY RATE (LTIFR) AMONG CONTRACTORS, PER 200,000 HOURS WORKED, 2018-2020



AARK, AUTOMOTIVE ACCIDENT RATE OF CONTRACTORS PER 1 MILLION KM, 2018-2020



An analysis of contractor workplace accidents and road accidents demonstrated that the main causes are:

- failure to conduct a risk assessment or identify hazards prior to the start of work;
- failure to comply with operating instructions in particular situations;
- unsatisfactory preparation of worksites;
- failure to observe the speed limit and distance in poor visibility, and in difficult road and weather conditions; and
- brake system malfunctions and/or unsatisfactory monitoring of the roadworthiness of vehicles after they are released for use.

In 2020, Polyus created video materials for contractors in order to familiarize them with the Golden Safety Rules and the Company’s Safety in Road Transport, Passenger Safety, and Health Protection courses. Contractors must also complete several corporate trainings: Health and Safety (basic training course), Working at Height Safety, Environmental Protection and Safety, and Defensive Driving.

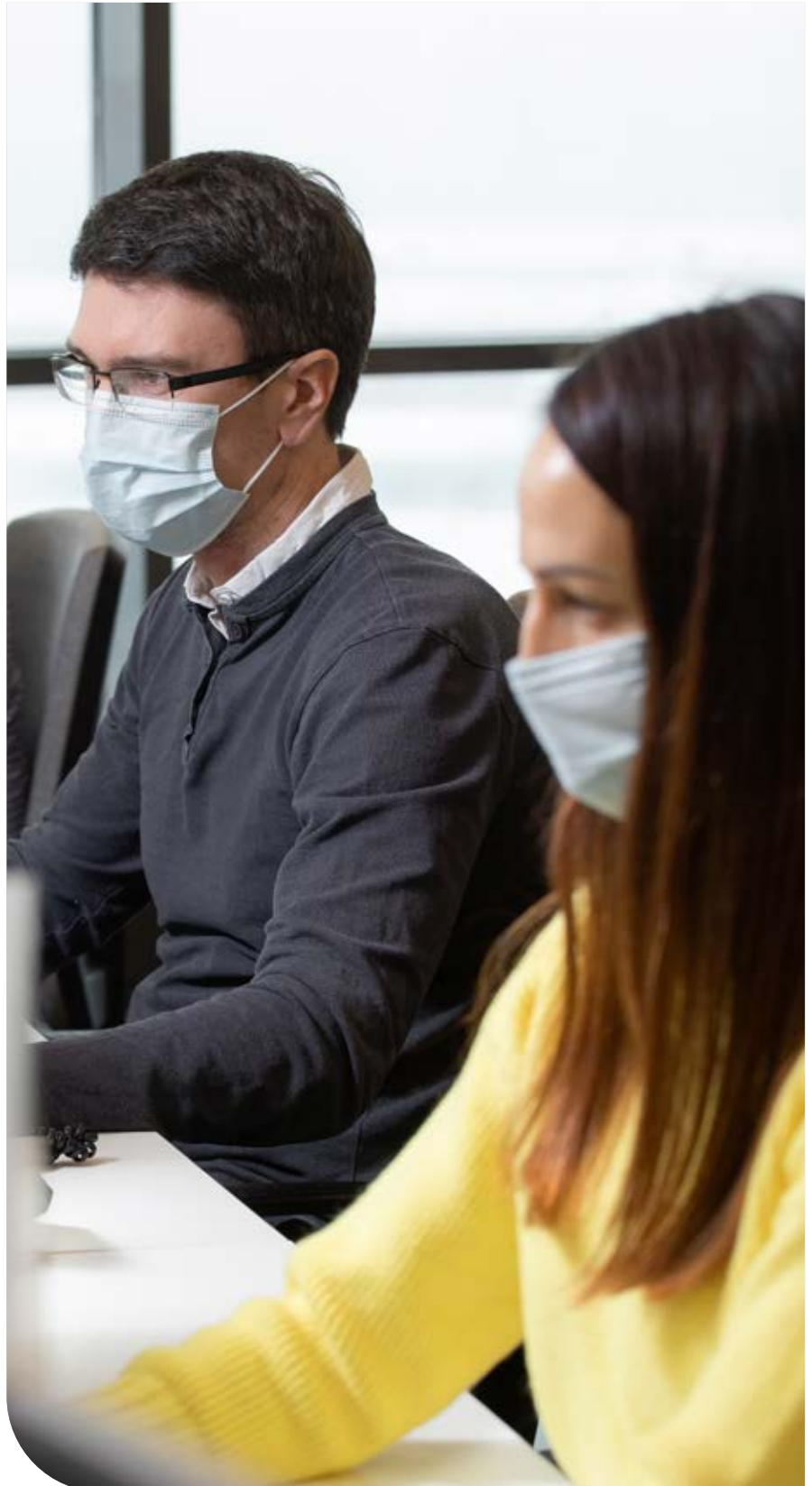
GRI 403-7

Contractors are also actively involved in Polyus’ risk-orientated campaigns ‘Caution - Rollover!’, ‘Buckle Up’, and ‘High Five!’ within their own workforces. As requested by Polyus, 48 contractors agreed to conduct campaigns based on the materials, of which 47 provided reports containing the results of implementing the plans.

Polyus has adopted a principle of zero tolerance toward alcohol and drugs, and this stance is regulated by its Substance Abuse Policy and the Russian Labor Code. We have achieved positive results due to extensive work carried out with our contractors, implementing an automatic medical examination system, and randomly screening staff, which resulted in improvements to the Company's safety culture level. In July 2020 the Driving Safety Standard was amended to impose tougher penalties for personnel carrying and distributing alcohol-containing beverages.

We also carefully monitor the composition of work teams as well as the condition of machines and equipment involved in work production. It is crucial that staff communicate any changes at field sites in a timely way. Since 2020 penalties have been levied for not informing the Company promptly about a change in the composition of employees or replacements of technical devices, vehicles, equipment, or machinery.

We have also introduced personal passports for contractors, which are designed to facilitate operational monitoring that operatives have undertaken all necessary training and certification in the field of health and safety, briefings, medical examinations, corporate training, and familiarity with the Company's local regulatory documents.



HEALTH AND SAFETY CONTINUED

HEALTH

GRI 403-3 · GRI 403-6

The health of our employees is an extremely important component within research and monitoring. The key activity and objective of the health and safety system is to prevent occupational diseases. The main goal of occupational health programs is to improve the health and occupational longevity of employees and contractors.

<p>Industrial sanitary and hygiene conditions</p> <ul style="list-style-type: none"> • Special workplace assessments • Monitoring hazards in the workplace • Catering audits • Water regime • Disinfection, disinsection, and deracination
<p>Occupational health</p> <ul style="list-style-type: none"> • Preliminary, periodic, and daily MedChecks • Health insurance • Emergency responses and medical evacuation • BU Medical support • CPR and first aid training
<p>Wellbeing</p> <ul style="list-style-type: none"> • Health training • Flu and tick-borne encephalitis vaccination • Medical education

POLYUS HEALTH CONCEPT



The programs have several objectives, the most important of which is the assessment and mitigation of health-related risks faced by employees and contractors. It is essential to ensure epidemiological safety and the ability to mobilize medical personnel at speed. The Company has in place a system of continuous health monitoring from the first day of employment, and improves the quality of employees' planned medical care using voluntary medical insurance, compulsory health insurance, and Social Insurance Fund (Russian state off-budget fund) resources. The quality of emergency medical care is maintained by raising the qualifications, education level, and training of employees, contractors, and medical personnel and by implementing projects and campaigns aimed at preventive healthcare, including the prevention of occupational diseases.

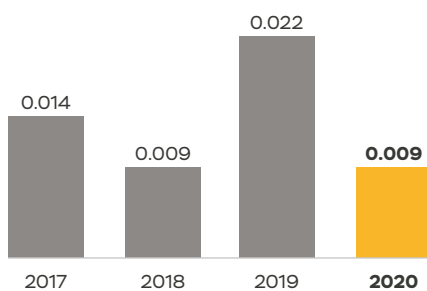
Under Polyus' 2021–2027 safety culture strategy health protection activities are focused on four areas:

- physical health
- safe working environment
- mental health
- healthy habits and behavior

GRI 403-10

In 2020, we updated our Medical Support and Organization of Emergency Medical Care Standard to take account of COVID-19. Our seasonal campaign on flu and pneumococcal vaccinations was not disrupted. To help us collect essential information, we launched a chatbot to monitor and assess COVID-related symptoms among employees on a daily basis. The collection, storage, and analysis of data on PCR and ELISA tests, hospitalizations, and vaccinations was conducted using the STOP.COVID digital system. CT – scanning was introduced at the Tenkinskaya and Bodaibo hospitals. For more information, please see the section 'Response to COVID-19' on [page 36](#).

The number of cases of occupational disease dropped in 2020 to two, down from five in 2019.

OCCUPATIONAL DISEASE RATE¹, 2017–2020

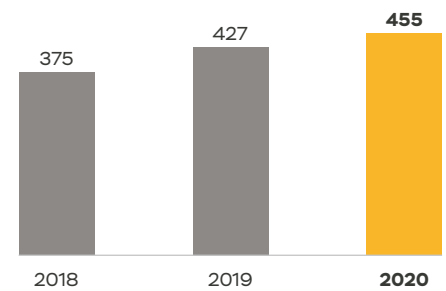
We continuously improve our workplaces and the working conditions at production sites, based on plans and programs developed after customized assessments of working conditions. We are proud to report that the number of Polyus workplaces classified as having the most hazardous work conditions (class 3.4 according to 426-FZ "On the special assessment of working conditions") has dropped from 111 in 2018 to 25 in 2020.

¹ The occupational disease rate is calculated as the total number of occupational disease cases divided by the total hours worked, and multiplied by 200,000

G4-DMA

Polyus regularly implements measures to prevent emergencies, whether natural or man-made. In line with national legal requirements, Action Plans for the Localization and Liquidation of the Consequences of Accidents (APLLCAs) are also developed annually. APLLCAs contain descriptions of the Company's production facilities, possible causes of accidents, how accidents may change over time, and the characteristics of potential accident-related injuries. Each plan sets out relevant operational procedures for the employees of a facility, as well as the procedure for interacting with state emergency services in the event of an accident occurring.

Education and practical trainings are also conducted. Polyus makes sure

NUMBER OF EMERGENCY TRAININGS, 2018–2020

that the necessary resources are in place to deal with emergencies of any kind.

The number of emergency trainings rose in 2020, in line with the Company's requirements.

PLANS FOR 2021 AND THE MEDIUM TERM

In 2021, we aim to work within the safety culture framework of the strategy developed up until 2027.

Key safety culture targets are:

- moving to a risk-based approach;
- attaining a safety culture level of 2.7 on the Bradley scale;
- including the Managing Company in the scope of safety culture assessments from 2022.

Occupational health plans include:

- developing a smoothly-functioning employee healthcare system that monitors risks, both in and outside the workplace (healthy habits and behavior);
- commissioning a single healthcare provider across all business units, and establishing unified requirements and approaches to work;
- storing and analyzing all health-related information in a single informational database;
- being fully ready for medical mobilization and external challenges, should the need arise.

Transportation and road safety plans include:

- establishing a unified dispatch service for trip management and analysis;
- elaborating and introducing policies, standards, and procedures;
- decreasing driver turnover;
- establishing an in-house professional excellence and training center for drivers.
- using vehicle safety devices;
- improving lighting at pedestrian crossings and installing road signs (illuminated road signs and 3D pedestrian crossing signs); and
- automating the trip management system in SAP (to incorporate risk assessment and approval).

ENVIRONMENTAL STEWARDSHIP



ENVIRONMENTAL PROTECTION EXPENDITURE \$ MILLION

8.5⁴

OF WATER RECYCLED AND REUSED

93.47%

SPENT ON BIODIVERSITY CONSERVATION \$ THOUSAND

235

¹ Conservation of biodiversity
² Responsible production
³ Environmental performance
⁴ Considering the 2020 average weighted rate (rubles/US dollar) that amounts to 72.15.

MATERIAL TOPICS:

- Water and effluents
- Biodiversity
- Waste
- Environmental compliance
- Emissions
- Response to COVID-19
- Safety of tailings

GLOBAL SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES



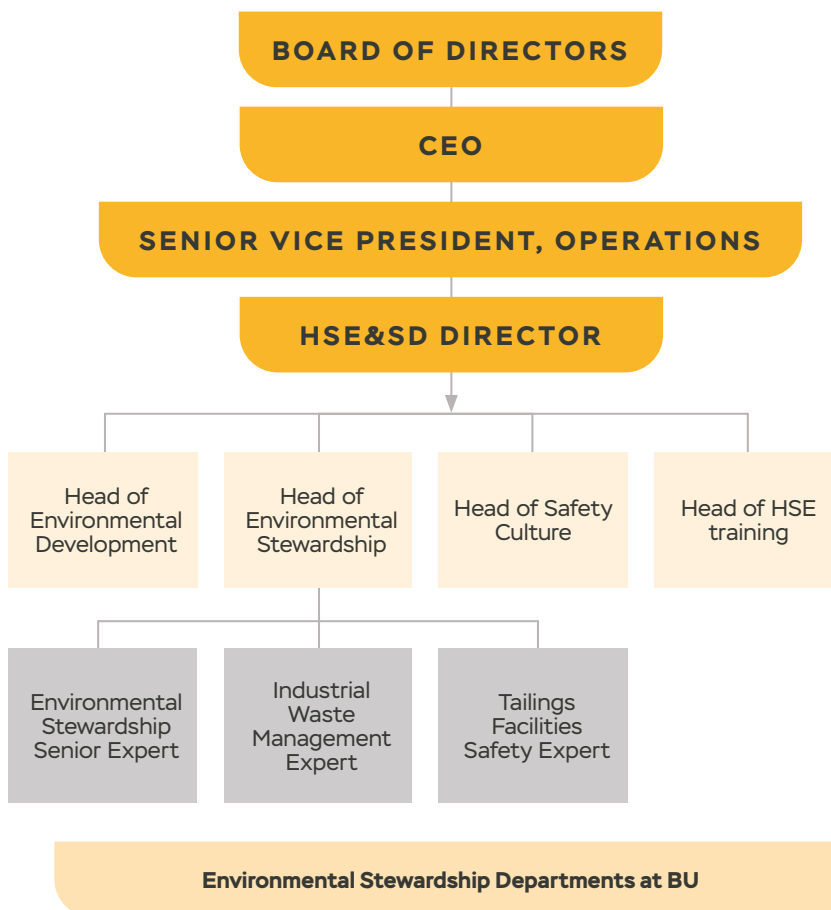
KEY EVENTS:

- Implementation of measures to reduce the specific water intake from natural sources.
- Optimization of management processes at industrial and household waste landfill sites at open-pit mining assets (Olimpiada, Blagodatnoye, Verninskoye, Kuranakh, and Nataalka).
- Upgrades to environmental laboratories (Verninskoye, Kuranakh, and Nataalka).
- Developing an end-to-end monitoring and control system to ensure the safety of hydraulic structures.
- Metrics for biodiversity evaluations were tested at three sites: Krasnoyarsk, Kuranakh, and Verninskoye.
- 61 managers took a corporate course on environmental protection and safety.
- Environmental specialists participated in online thematic forums, including the 18th all-Russian congress 'Environmental Protection and Environmental Safety: State Regulation 2020' and the conference 'Business and biodiversity on the environmental agenda of Russian companies'.
- Corporate environmental campaigns, including 'Water' Campaign, 'Green Office', and 'Waste Management' were held.
- Verninskoye underwent a certification audit in the field of cyanide management.
- As an ICMM member company, Polyus participated in drawing up the Global Industry Standard on Tailings Management.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Reducing the water intake from natural sources to 0.23 m ³ per tonne of ore.	Achieved	In 2020, we reduced our fresh water intake to 0.22 m ³ per tonne of ore.
Reducing negative environmental impact fees above limit to \$104 thousand or less.	Achieved	In 2020, we reduced this figure to \$35 thousand.
Obtaining at least 90% of environmental permits.	Achieved	In 2020, we obtained 99.55% of permits sought.
Improving our recycling rate for tires and used plastic to 50%.	Achieved	In 2020, we achieved 98.36% recycling for plastic and tires.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Sustainable Use of Natural Resources and Prevention of Environmental Pollution Standard
- Biodiversity Conservation Standard
- Reclamation and Mine Closure Standard
- Cyanide Management Standard
- Standard for Environmental and Social Impact Assessments

External

- The UN Global Compact
- ISO 14001
- The International Cyanide Management Code
- The ICMM Integrated Mine Closure Planning Toolkit
- The ICMM Position Statement on Water Stewardship
- The ICMM Mining and Protected Areas Position Statement
- IFC Environmental and Social Performance Standards

ENVIRONMENTAL STEWARDSHIP CONTINUED

MANAGEMENT APPROACH



Polyus respects and cherishes the natural environment. We work hard to prevent, mitigate and compensate for any environmental impacts caused by our activities. This means not only setting ourselves the highest environmental standards, but also driving change and best practice in the mining industry, and fostering a culture of environmental stewardship. In 2020, we particularly focused on reducing our environmental footprint and supporting our employees to appreciate and care for nature."

EVGENIY SHOR
HEAD OF ENVIRONMENTAL STEWARDSHIP

GRI 103 · GRI 307-1

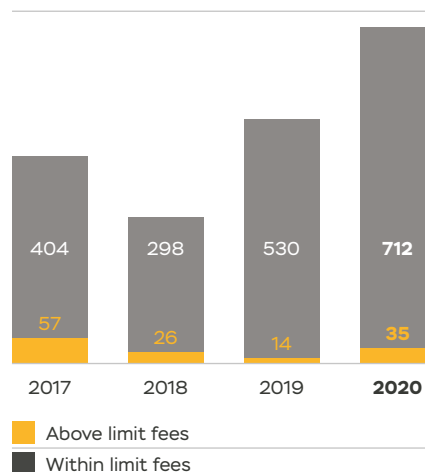
We are committed to minimizing our environmental impacts and work hard to preserve the natural areas surrounding our operations. The sustainable use of natural resources and ensuring safe working and living conditions for employees and local communities are essential aspects of these efforts. We always fulfill the requirements of environmental legislation and best practices.

We work continuously to improve our environmental performance at every stage of the production cycle. When we develop our strategies, we take a long-term approach to environmental management across our assets. Our performance is guided by our Environmental Policy.

Polyus' environmental management system allows us to promptly respond to any changes in the environment, thereby enhancing environmental performance. All our mining assets are certified in accordance with ISO 14001. Certification compliance audits are carried out on a regular basis, all potential environmental risks are assessed, and we plan our activities so as to minimize or eliminate such risks. Our activities are also regulated by our officially approved corporate Standard for Environmental and Social Impact Assessments.

¹ Responsible production

NEGATIVE ENVIRONMENTAL IMPACT FEES PAID BY POLYUS, 2017-2020, \$ THOUSAND



In 2020, payments related to negative environmental impacts rose to \$747 thousand. Negative impact fees increased following a change in Russian legislation: fee rates for exceeding the per-project limits saw a five-fold increase in 2020 compared to previous periods. At the same time, the Company's actual payments for exceeding limits related to negative impacts rose only 1.5 times. This indicates that actual negative impacts in 2020 declined, and this is particularly noteworthy as there was an overall increase in production during the year.

GRI 103-3

CASE STUDY

VERNINSKOYE AND ALLUVIALS BUSINESS UNITS RECEIVE NEW ISO CERTIFICATES

In February 2021 the Irkutsk assets of Polyus, Verninskoye and Alluvials, received three ISO certificates simultaneously. The operating company and all our production facilities and professional services are now internationally certified for occupational health and safety and environmental protection (under ISO 45001 and ISO 14001, respectively).

Our plan is to maintain annual supervisory audits to ensure

continued compliance with ISO 45001 and ISO 14001 and, following the example of our Verninskoye business unit, obtain ISO 50001 energy efficiency certification for other business units.

Verninskoye is the first business unit in our company to be certified under the ISO 50001 standard. The standard sets demanding standards related to installing, implementing, and improving energy management over the life cycle of production equipment.



LESSONS LEARNED

Creating safe working conditions for our employees, as well as promoting an environmental culture, are Company priorities. In order to comply with global requirements in these areas, and maintain high standards we carry out annual supervisory audits.

In 2020, Polyus' internal Environmental Reporting Instruction was redesigned in order to provide information for business units more effectively. Reporting forms were slightly amended, in terms of timings and ease of completion, although the indicators remained the same. There were also changes in how permits are managed, and we plan to develop a document outlining timelines for compulsory procedures.

Every employee has a part to play in reducing negative impacts on the environment. Last year we added a three-level environmental safety course, Environmental Protection for Managers, Engineers, and Workers, to our corporate training program. As part of this course we teach employees the general principles of responsible environmental conduct and behavior. The course sections are tailored for employees at different management levels. In 2020, 61 managers also took a top-level corporate course entitled Environmental Protection and Safety.

Training forms only part of our overall efforts to minimize the negative impacts of our Company on the environment. Specialized environmental services teams at all Polyus enterprises monitor the operation of gas-cleaning equipment and other treatment facilities, and compliance with waste disposal, recycling, and neutralization requirements. In addition, we continuously monitor the wider environment in the geographical areas where enterprises operate. This data is used, among other things, as feedback from the production units of the enterprises in order to improve technological processes and minimize negative impacts.

Annual environmental inspections are performed by state authorities at Polyus' operations, to ensure that the Company complies with relevant environmental requirements. In 2020, 18 inspections took place, and fines were levied amounting to \$4,1 thousand. Mostly these were inspection-related violations, which were immediately eliminated following the inspection. The remainder related to missing or incorrect documentation.

GRI 103-2

CASE STUDY

POLYUS OFFICES GO GREEN



As a socially responsible company, Polyus strives to achieve high standards in managing its office space. Polyus offices have long had waste-sorting procedures; however, we need to aim for more than this. In 2020, Polyus held a Green Office campaign to assess the level of environmental awareness and employee satisfaction with workplaces. The assessment identified the following areas for improvement:

- the microclimate;
- energy conservation;
- responsible procurement;
- waste recycling;
- the quality of household chemicals;
- anti-stress measures;
- lighting;
- recycling office equipment.

In addition, employees expressed a desire for a full transition to electronic document management. Based on the results of the survey, it was also decided to enhance the environmental safety of offices and educate employees through corporate campaigns.



LESSONS LEARNED

Implementation of 'green' standards in Polyus offices is not only a step toward building environmental awareness, but also a way to create a more comfortable working environment and reduce stress levels among workers.

WATER MANAGEMENT AND ACCESS

GRI 303-1 · GRI 303-2 · GRI 303-3

GRI 303-5

We are committed to sustainable water stewardship, we endeavor to minimize water stress and we strive to exceed legal requirements. We take water management seriously and our efforts in this area are regulated by our corporate Sustainable Use of Natural Resources and Prevention of Environmental Pollution Standard, as well as by tracking and reporting on our environmental KPIs. It is a priority for Polyus to avoid working in areas where water is scarce.

Another priority is to reduce the volume of water used per unit of output. To achieve this goal, we:

- monitor our water consumption;
- implement water-efficient processes at enterprises; and
- seek to increase the percentage of water we reuse.

As a member of the ICMM, we comply with the ICMM Position Statement on Water Stewardship. In 2020, we attended online ICMM water management events, at which topics such as water accounting, water consumption, the maintenance of water reservoirs, and water use were discussed.

One of our top priorities is to reduce water withdrawal from natural sources and to increase recycled water consumption, even though we operate in water-rich regions where water-scarcity risks are not high. When it comes to discharging water into surface bodies of water, water purification is a compulsory step. Advanced water treatment facilities are used at all our operations, and we upgrade them when necessary.

Polyus withdraws water from five sources: surface water bodies, water intake wells, city and municipal water supply networks, pits and other sources, including atmospheric precipitation. Pit water makes the largest contribution to the input side of the water balance of the Company, constituting almost 55% of the

GRI 303-1

CASE STUDY

MANAGEMENT OF WATER RISKS

In March 2021, Polyus published its Water Report. The report covers the Company's production facilities that use a substantial quantity of water in their operations, and which are hence major consumers. The report presents Polyus' current overall approach to rational water management, stakeholder-inclusive practices and an assessment of and management plan for water-resource-related risks.

To assess water-related risks, Polyus uses the Water Resources Institute (WRI) Aqueduct2 platform, which allows risk mapping in the following areas: potential for floods and severe droughts, water scarcity, and the availability of potable water to local populations. This tool helps to map the water use of the Company's production assets against the components and degree of risk identified by the WRI.

The Aqueduct assessment takes into account both quantitative and qualitative water-related risks, which are calculated for each production asset based on its geographical location and the presence of competing entities for water resources in the same regions. After reviewing both quantitative and qualitative risks associated with water resources, an overall rating is given. For Polyus, this rating is 'low' for the Krasnoyarsk Territory and

Yakutia, and 'low to moderate' for the Magadan and Irkutsk Regions.

The Company carries out an annual risk assessment under the ISO 31000 risk management standard. Polyus' internal standards, methods and mechanisms are used to assess environmental impacts, in compliance with national legislation. The time frame within which risks are considered is one to three years.

In general, based on the evidence of high water availability at production assets, Polyus' risks associated with water management are not deemed material in the context of the viability, efficiency and value of the Company.



LESSONS LEARNED

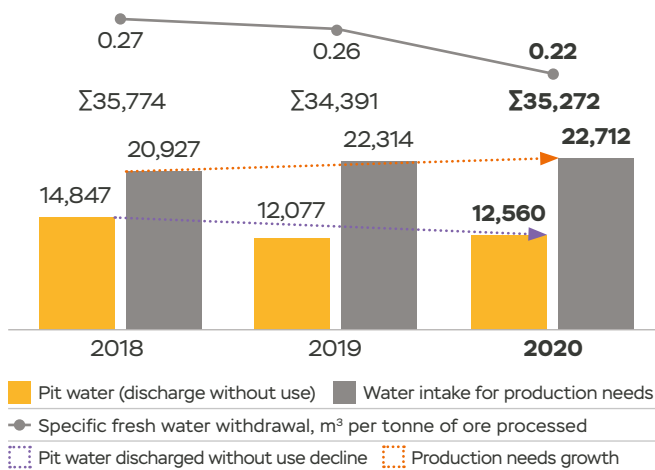
As part of our efforts towards maximising transparency, we disclose water-related risks. We take responsible water management very seriously, and despite the overall low to moderate level of water-related risks in the regions where we operate, we conduct risk assessments and disclose results, in accordance with global best practice.

total amount of water used. Surface water bodies are the second largest source, accounting for 21% of all water withdrawn. Groundwater is next, accounting for almost 21% of all water withdrawn by the production assets. It is worth noting that groundwater is used both for production purposes and as drinking water. Seawater is not withdrawn due to the distance of the assets from offshore waters and the availability of accessible water resources in the immediate proximity of each production asset.

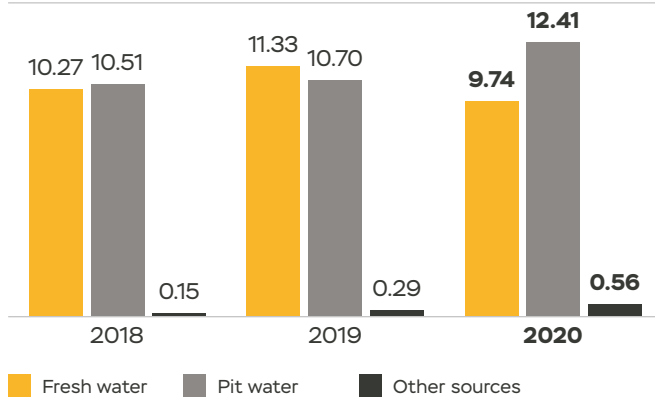
In 2020, water consumption in water circulation systems stood at 325 million m³, and the proportion of water reused was 93.47%. Fresh water intake to compensate for evaporation, entrainment and other operational losses from natural sources per production unit was 0.22 m³ per tonne of processed ore. Pit water, surface water bodies and underground water bodies account for the bulk of the water intake.

¹ Responsible production

TOTAL WATER WITHDRAWN, PIT WATER DISCHARGED, THOUSAND M³ AND SPECIFIC FRESH WATER WITHDRAWAL, M³ PER TONNE OF ORE PROCESSED, 2018-2020

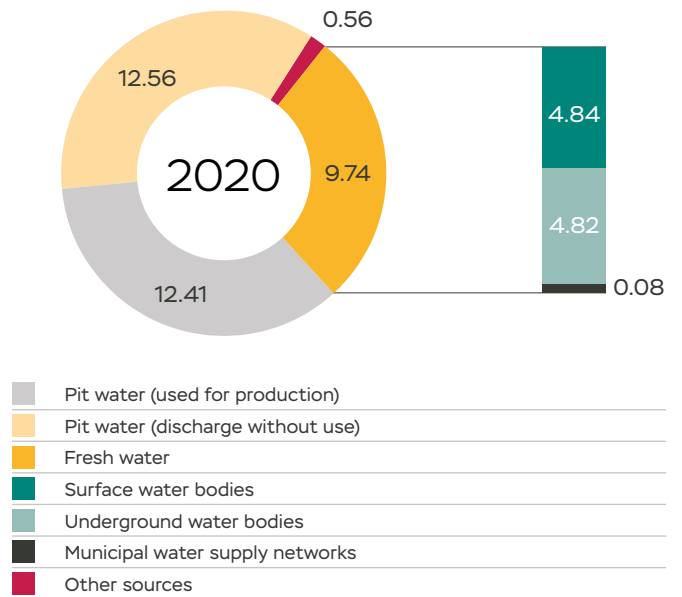


WATER INTAKE FOR PRODUCTION NEEDS, 2018-2020, MILLION M³



GRI 303-5

STRUCTURE OF WATER INTAKE, MILLION M³



Since 2018 we have been following a strategy where alongside an increase in water demand for production needs due to increases in production, we reduce our discharge of unused pit water. As a result of replacing fresh water with pit water, we reduce our consumption of fresh water and thus our impact on water bodies.

CASE STUDY

POLYUS IMPROVES CDP SCORE

Polyus reported an increase in the Company's environmental CDP ratings following this year's assessment. The Water Security rating went up from 'D' to 'C'. This improvement was thanks to ongoing work to enhance the disclosure of non-financial information, as well as the increased sustainability of the Company's operating activities.



LESSONS LEARNED

As part of achieving our goal of maximum transparency, we take water as well as climate management disclosures seriously. A high degree of transparency goes hand in hand with improved operational and environmental performance.

ENVIRONMENTAL STEWARDSHIP CONTINUED

In order to ensure that impacts from our water quality operations are below regulatory limits, we monitor the quality of effluent water, groundwater, and streams aboveground at production sites. Accredited stationary and mobile laboratories are used for this purpose. Constant monitoring helps us identify potential issues and if necessary take immediate action.

In 2020, Polyus, received a minor fine related to water resource management. We analyse the core problem that underlaid the issue and plan preventive actions for the future, whether or not the issue led to the fine imposed.

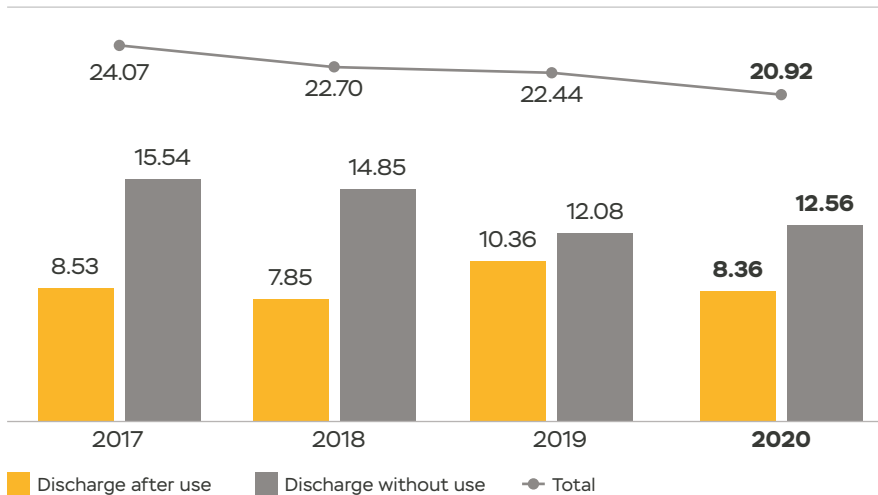
A large proportion of discharged water constitutes mine drainage (pit dewatering), which is not used in production. In 2020, the discharge of pit water exceeded wastewater discharges, and stood at 12.56 million m³, compared to 8.36 million m³ of wastewater.

In the reporting period, we continued work within the framework of the Company's water campaign. The general focus remained the same - replacing fresh water from natural sources with pit water for use in production- and various activities were carried out in this regard. However, despite the general strategy to replace water with pit water, pit water cannot cover production needs at all sites. We therefore still have to take water from water bodies at some sites, while discharging excess pit water at other sites.

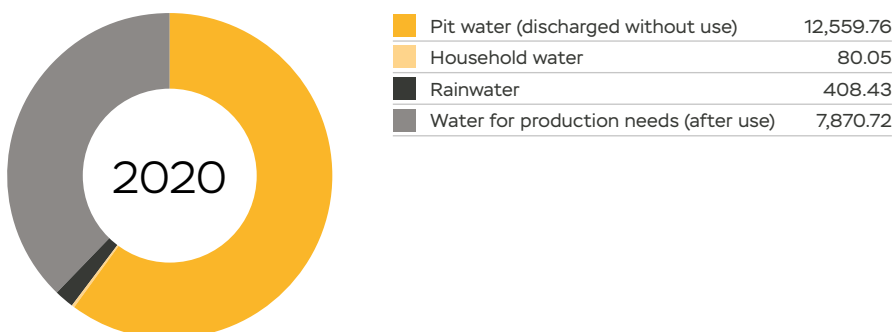
As part of our work to maintain a high rate of water reuse, in 2020 93.5% of all process water at our operations was recirculated and used again. This compares to 93.6% in the previous year.

GRI 303-4

TOTAL WATER DISCHARGED (USED WATER AND UNUSED PIT WATER), 2017-2020¹, MILLION M³

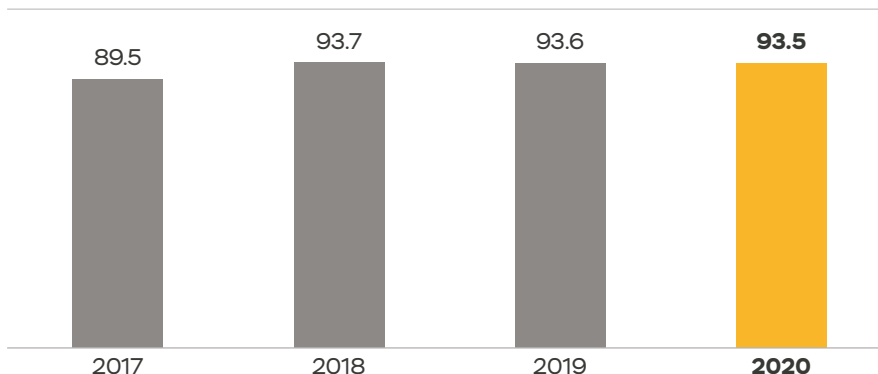


BREAKDOWN OF SOURCES OF TOTAL WATER DISCHARGED, THOUSAND M³



GRI 303-2

PERCENTAGE OF WATER RECYCLED OR REUSED, 2017-2020, %



¹ The values of water Discharged after use and Total for year 2019 have changed comparing to the values in 2019 Sustainability Report due to the change in the GRI disclosure approach: household water and rainwater are now added to water Discharged after use. We will apply this approach in the following reporting periods. As for the data for 2017-2018, their evaluation under the new methodology is not applicable or available.

AIR EMISSIONS

GRI 305-7

In this area, our goal is to minimize emission of pollutants into the atmosphere. In order to achieve this objective, we strive to reduce our consumption of fossil fuels and to maximize the use of low-carbon and renewable energy sources in our operations, with a view to reducing greenhouse gas and other pollutant emissions.

We ensure that equipment at our sites meets international quality standards and we optimize vehicle routes. In addition, we pay special attention to preventing airborne dust pollution and conduct regular dust suppression activities.

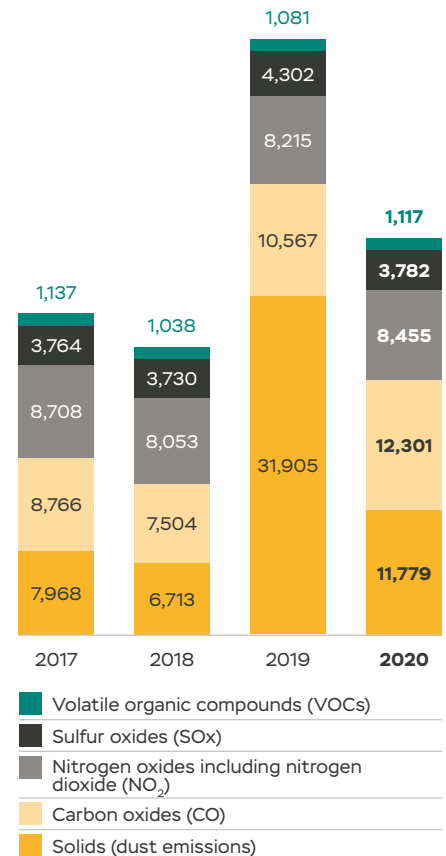
In 2018, a new mobile environmental laboratory for measuring the concentration of air pollutants was commissioned at Olimpiada. The laboratory measures concentrations of various components generated by our mining activities: nitrogen oxides, sulfur oxides, carbon oxides, and hydrocarbons.

We operate within statutory maximum permissible limits. The maintenance, inspection, and repair of equipment are carried out within established plans, programs, and routine activities. Polyus also pays close attention to air quality monitoring.

In 2020, air emissions at our assets were within the statutory maximum permissible limits. Emissions of solids were lower than in the previous reporting year, as certain major construction projects ended in 2019. As stated in our 2019 Sustainability Report, the creation of waste dumps and the relatively shallow pit depth of high-intensity blasting operations during the initial development phase at Natalka resulted in an atypical increase in total dust emissions in 2019. As predicted, a 20.1 kt reduction in dust emissions occurred in 2020 after the end of the Vostochny dump construction at Natalka, resulting in a drop in total Polyus dust emissions. There was a 16% increase in carbon monoxide emissions in 2020 comparing to 2019. Sulphur oxides emissions were reduced by 12% in the reporting period. Specific emissions (per tonne of processed ore) of other key pollutants (nitrogen oxides, volatile organic compounds) were stable.

The only dangerous substance emitted into the atmosphere at our plants is hydrocyanide. All our enterprises are equipped with highly efficient systems for trapping and purifying exhaust gases from hydrocyanide. In 2020, the total volume of hydrocyanide emissions at all enterprises stood at 356 tonnes.

SIGNIFICANT AIR EMISSIONS, 2017–2020, TONNES²



² Value for 2019 carbon oxide emissions was corrected comparing to 2019 Sustainability Report due to the adjustment of emission values for Construction service.

WASTE MANAGEMENT

GRI 306-1

When it comes to waste management we endeavor to reuse and recycle waste as much as possible in order to minimize any waste going to landfill. Safe waste management and disposal is our priority. For waste that cannot be recycled, we either organize environmentally safe decontamination and disposal, or transfer it to specialist companies.

GRI 306-2

Under Russian law, sending certain types of waste to landfill is prohibited. Polyus has a number of initiatives relating to the various types of waste it generates. These include waste disposal strategies, a recycling facility for plastic waste and tires at Olimpiada, the construction of a landfill site for industrial and municipal waste at Kuranakh, and the introduction of waste reclamation measures.

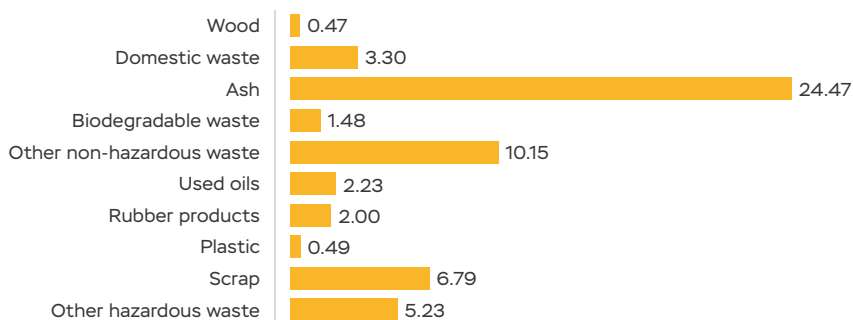
GRI 306-3

In 2020, a total of 351.38¹ million tonnes of waste was generated. This includes overburden waste (308.33 million tonnes) and tailings waste (42.99 million tonnes).

Polyus conducts mandatory monitoring of waste prevention around its landfills. All scheduled activities are carried out, in accordance with work plans, and the results are recorded. No major violations were identified during the reporting period.

Since overburden and tailings are types of waste specific to mining, we disclose the volume of this type of waste generated and stored separately from our total waste. The volume of reused overburden and tailings waste can be calculated by subtracting the volume of stored from the volume of generated overburden and tailings. The recycling rate for other hazardous and non-hazardous waste is obtained by subtracting overburden and tailings figures from total waste indicators.

TOTAL WASTE GENERATED BY TYPE (EXCLUDING OVERBURDEN AND TAILINGS), 2020, THOUSAND TONNES²



GRI 306-4

CASE STUDY

CORPORATE WASTE MANAGEMENT CAMPAIGN

In August 2020, Polyus announced the launch of an environmental campaign for its employees on waste management, organized in the form of a family flash-mob / competition. The campaign was aimed at encouraging separate waste collection practices. This will help to combat a major issue that has come to the fore in Russia in recent decades – a sharp increase in consumer waste.

The campaign emphasized regular collection of recyclable materials and the separation of waste in at household level. Much waste, especially packaging (cardboard, plastic, aluminium) can be reused or recycled. In order to participate in the competition, it was necessary to register on the 'Green Polyus' Viber bot, post photos with bags next to separate waste collection containers, and record the volume of collected waste. A training presentation containing detailed instructions was sent to help participants. Positive feedback was received from Polyus employees in Moscow and Krasnoyarsk, who highlighted the importance and

topicality of the campaign. Even Greenpeace thanked Polyus for organizing the flash-mob.

The winner was the family of Vladimir Ishchenko, a geologist at Polyus Krasnoyarsk. Over the two months of the campaign, Vladimir's family submitted the largest volume of waste: the Viber bot recorded 27 cases of waste collected, the highest result among 22 registered participants. The winner also successfully participated in the quiz Citizen of the Ecopole, thus demonstrating his commitment to environmental protection.



LESSONS LEARNED

To foster a culture of environmental stewardship, we engage Polyus employees to take even small acts of care toward the environment. We believe that values embedded at a personal level can lead to a positive shift in society's environmental awareness.

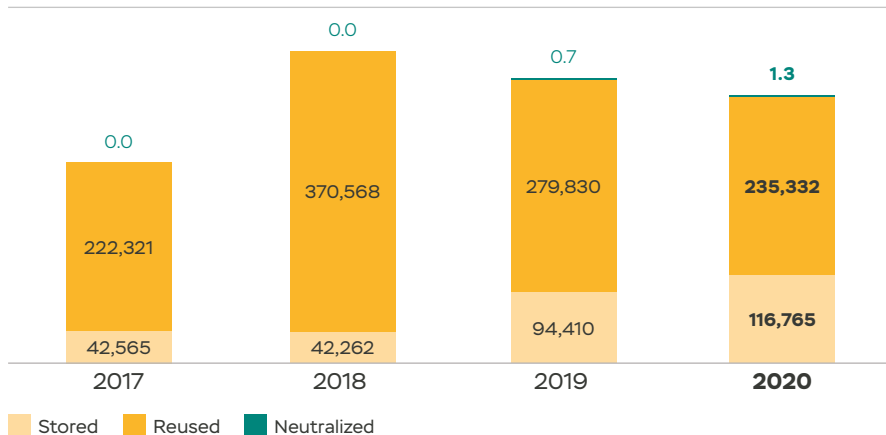
¹ This includes 0.01 million tonnes of waste generated by third parties.

² The data does not include waste obtained from external organisations.

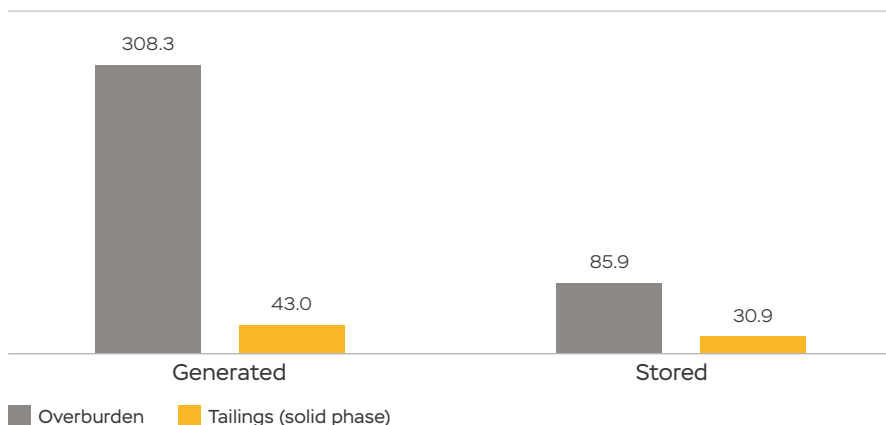
³ Hereinafter, values for waste volumes include waste received from third parties.

⁴ Responsible production.

WASTE STORED, REUSED, AND NEUTRALIZED, 2017-2020, THOUSAND TONNES³

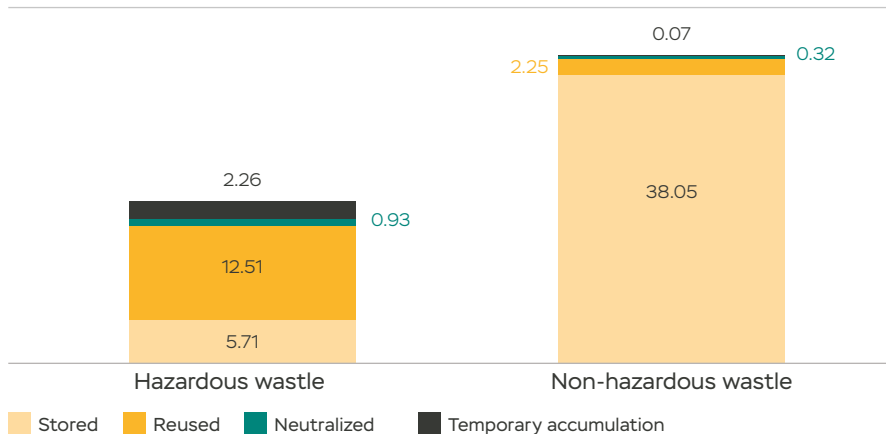


TOTAL VOLUME OF OVERBURDEN AND TAILINGS WASTE, 2020, MILLION TONNES



GRI 306-4 · GRI 306-5

TREATMENT METHODS FOR HAZARDOUS AND NON-HAZARDOUS WASTE, THOUSAND TONNES⁵



⁵ Hazardous waste include: used oils, rubber product, plastic, non-ferrous and ferrous scrap, other hazardous waste. Non-hazardous waste include: wood, domestic waste, ash, biodegradable waste, other non-hazardous waste.

GRI 306-4

CASE STUDY

KURANAKH FINDS A NEW WAY TO TREAT WASTE PETROLEUM PRODUCTS

Kuranakh has identified an economical and safe use of waste petroleum products and has organized a centralized collection point for used oil. Kuranakh is one of a very few companies that has such a technologically advanced waste accumulation site at its disposal.

The work on the project began in 2018. As part of the re-equipment of the life-expired oil facility, centralized heating was installed, as well as three new tanks with a capacity of 60 m³, and a filtration and drainage system for used oil.

Waste oil is cleaned of impurities and then sold as a secondary material resource to contractors. The work is done professionally, skillfully, and thoroughly, despite the fact that this is the first time such a large-scale initiative has been launched at a waste accumulation facility in Russia's northern territories.

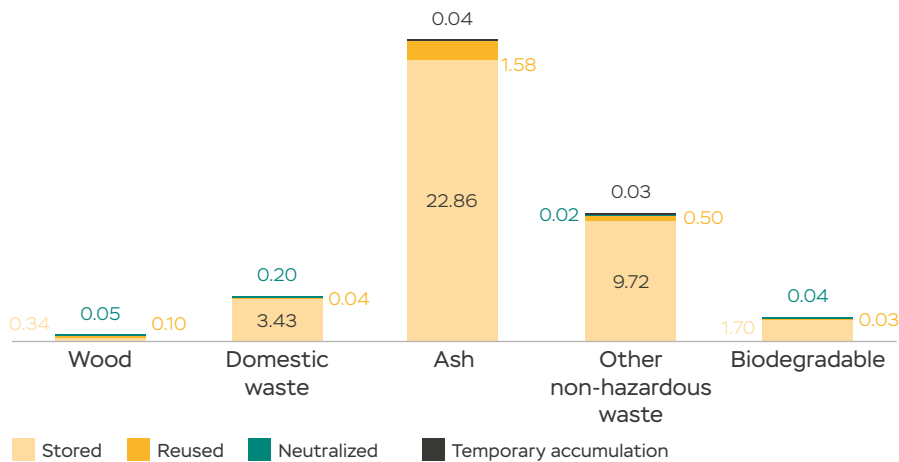


LESSONS LEARNED

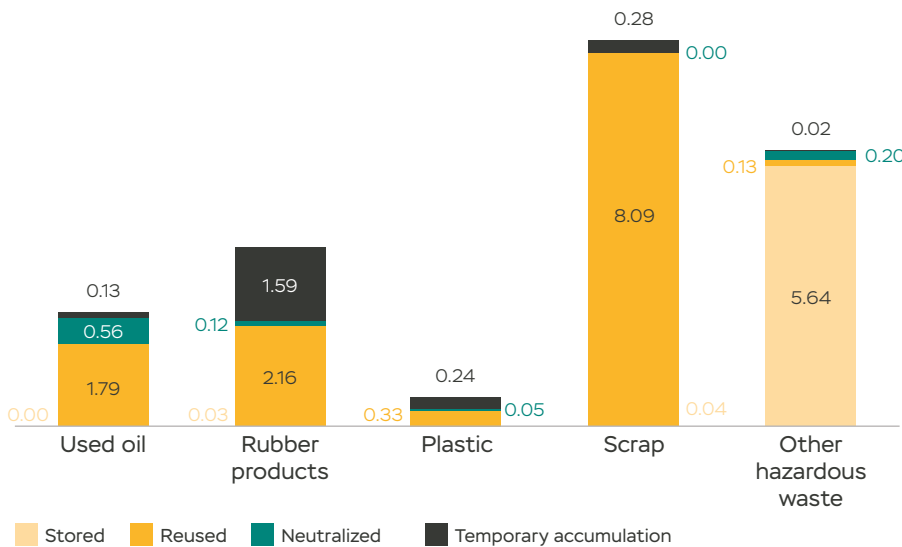
Innovative approach to recycling technologies is a key to reducing the environmental footprint of the Company. Moreover, applying ecotech solutions in the Company's processes can lead to economic growth and better cooperation with peers and institutions.

ENVIRONMENTAL STEWARDSHIP CONTINUED

TREATMENT METHODS FOR NON-HAZARDOUS WASTE, THOUSAND TONNES¹



TREATMENT METHODS FOR HAZARDOUS WASTE, THOUSAND TONNES²



CYANIDE AND HAZARDOUS SUBSTANCES MANAGEMENT

Ensuring the safety of activities related to working with cyanide and other hazardous substances is a major priority for Polyus. We do this by instigating thorough controls, strictly adhering to internal and external regulations, and raising employee awareness in this area. Management processes at business-unit level also comply with our corporate Cyanide Management Standard and Polyus is driven by the International Cyanide

Management Code (ICMC). This also regulates our procurement operations and interactions with suppliers.

In 2020, Verninskoye underwent a certification audit, during which its compliance with ICMC was identified by the auditor and certification should be obtained in 2021. As well as Polyus Logistics went through the same audit as cyanide transportation company.

DAMS AND TAILINGS FACILITIES

GRI G4-MM3

Polyus strives to minimize the potential environmental impacts of its tailings. Our sites comply fully with Russian legislation governing the safe operation of tailings storage facilities (TSFs).

Tailing materials consist of finely ground rock particles and reagent residues, which are necessary for extracting gold, and reclaimed process water, which is used for the hydraulic transportation of gold. Since even occasional pollution by these components could significantly impact the environment, we pay special attention to tailings safety. Polyus has an excellent safety track-record at its tailings dams, and no hazardous incidents related to their integrity or stability have been recorded.

As an ICMM member, we also meet our commitments under the ICMM Position Statement on Preventing Catastrophic Failure of Tailings Storage Facilities and implement comprehensive risk assessments related to the operation of TSF. In addition, special attention is paid to the condition of dams, well monitoring, other protective measures, and related utility systems and networks.

¹ Temporary accumulation amounts to less than 0.01 thousand tonnes for wood, domestic waste and biodegradable waste. The amount of neutralized ash is less than 0.01 thousand tonnes.

² The amount of neutralized scrap is less than 0.01 thousand tonnes.

³ Responsible production.

⁴ The table shows the volume of tailings waste stored, for the volume of tailings waste generated see section Waste Management, p. 97.



Polyus is an active member of the International Council on Mining and Metals, and in 2020 we took a role in developing the Global Industry Standard on Tailings Management. We believe the new Standard will significantly improve both safety and environmental management at tailings storage facilities.

In general, Polyus strongly believes in systematic approach to the challenge of safe tailings deposition, and attacks it from several sides. For example, our research on the pre-processing of lower-grade ores may potentially reduce the amount of ore that needs to be processed by the CIL in the first place, and consequently, reduces the overall volume of tailings it generates. We are also experimenting with dry storage of tailings and wider introduction of closed recycled water circuit at our business units."

MICHAEL ALYOSHIN
VICE PRESIDENT, ENGINEERING

Tailings storage facilities, total	11
<i>Operating, including:</i>	7
Downstream	5
Upstream	2
<i>Decommissioned, including:</i>	4
Downstream	0
Upstream	4
Tailings waste stored in 2020, tonnes⁴	30,870,314
Downstream	30,764,668
Upstream	105,646

CASE STUDY

POLYUS SHARES EXPERTISE AT MINEX RUSSIA 2020 CONFERENCE

In October 2020 Polyus took part in the MINEX Russia 2020 conference, at which Head of Sustainability Daria Grigorieva described the Company's sustainability priorities. The focus of Polyus is on tailings safety, as part of its Mining and Tailings Safety initiative.

After the Brumadinho disaster in 2019 the industry decided to increase safety requirements for tailings and draw up a Global Industry Standard on Tailings Management (for details see www.globaltailingsreview.org/global-industry-standard/). As an ICMM member, Polyus was closely involved in developing the Standard. The Company also created an internal working group to progress implementation of the Standard, which included occupational health and safety specialists, engineers, lawyers, and ecologists.

Polyus CEO Pavel Grachev joined a special working group of ICMM member company executives. Pavel provided strategic comments on the requirements of the Standard and shared his ideas on how it should be implemented in various jurisdictions.

The Standard covers the entire life cycle of tailings facilities, from site

selection, design and construction to management and monitoring, followed by closure and reclamation. The Standard sets forth measures to ensure the safe operation of these facilities and the prevention of accidents with catastrophic consequences. As part of the implementation of the Standard, ICMM member companies will arrange for independent assessment of their tailings facilities to certify their compliance with the Standard.

In accordance with the Standard, the planned timeline for its final implementation by Polyus is the third quarter of 2025.



LESSONS LEARNED

Safe tailings management at all stages of the mine life cycle is a priority for Polyus, as it protects lives and environment. Being a proud ICMM member, Polyus actively engages in the development and promotion of responsible mining industry standards.

ENVIRONMENTAL STEWARDSHIP CONTINUED

LAND CONSERVATION

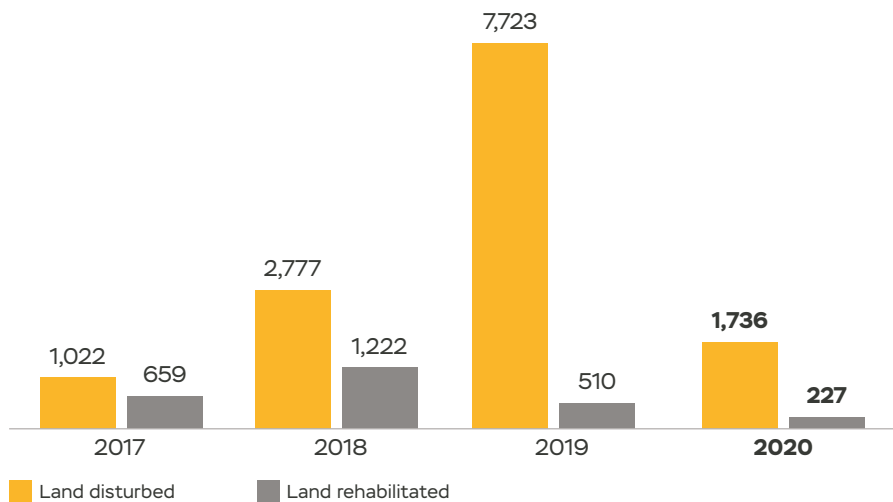
GRI MM10

The rehabilitation of land disturbed by mining activities is a compulsory aspect of our operations, and takes into account Federal Law on Environmental Protection No. 7-FZ (for details see Articles 34 and 39). When developing new projects, we make concerted efforts to preserve landscapes and reduce the area of land that is disturbed. These principles are enshrined in our Reclamation and Mine Closure Standard, which also establishes the key aspects of planning and organizing work related to the closure of sites, and ensures compliance with Russian legal requirements, ICMM sustainable development principles, and the provisions of the ICMM Integrated Mine Closure Planning Toolkit.

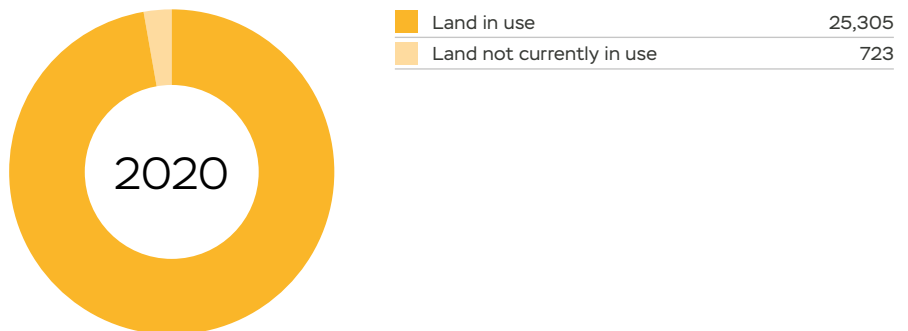
The amount of land rehabilitated in 2020 declined compared to 2019, and by the end of 2020 most disturbed and non-rehabilitated land was in use for mining.

In 2019, 1,905 hectares of land were brought into economic operation due to the development of the Natalka mine, the construction of the Vostochny dump and main tailings pond, and the creation of an open-pit mine. Since these works were mainly completed in 2019, in 2020 the new land brought into economic use amounted to only 791 ha, which resulted in a decline in the total area of land disturbed in 2020 relative to 2019, of more than 1,000 ha. Also, all four sites of Olimpiada, Blagodatnoye, Kuranakh, and Alluvials saw a reduction in the area of land disturbed during 2020 compared to 2019, due to approved mining plans.

TOTAL DISTURBED AND REHABILITATED LAND, 2017–2020, HA



DISTRIBUTION OF DISTURBED AND NON-REHABILITATED LAND, 31 DECEMBER 2020, BY CATEGORIES OF USE, HA



BIODIVERSITY MANAGEMENT

GRI 304-1 · GRI 304-3 · GRI 103

Polyus adopts a responsible approach to biodiversity management in all the regions where it operates, including through conducting annual population estimates and monitoring biodiversity at the species level, in the context of assessing impacts of its gold-processing plants and infrastructure on nearby land. In our approach to biodiversity management we are guided by the Russian Federal Law on the Ratification of the Convention on Biological Diversity issued February 17, 1995, the Company's Biodiversity Conservation and Sustainable Natural Resources Standard (second version, 2018) and all applicable laws. Polyus contributes to biodiversity protection in several ways, including via wildlife compensation programs, working in close partnership with scientific institutions and government agencies, and adhering to internal regulatory documents. The Company also complies with the ICMM Good Practice Guidance for Mining and Biodiversity, as well as the International Finance Corporation's Biodiversity Performance Standard: Biodiversity Conservation and Sustainable Natural Resources.

In 2020, Polyus contributed to the ICMM submission to the United Nations Convention on Biological Diversity by introducing biodiversity management metrics in line with the Science-Based Targets Initiative (SBTi) approach, and implemented their use during pilot field studies in July and August 2020 at Kuranakh, Krasnoyarsk and Verninskoye. The following biodiversity indicators were introduced and estimated: 'S' – the species richness for plant communities; 'ICRS' – index of concentration of species richness, and indices of biodiversity (Shannon's and Simpson's); 'IAS' – the proportion of adventive (non-native) species and the share of rare and endemic species in the surrounding communities. The pilots suggested that plant and animal communities require different metrics to evaluate biodiversity levels, and that metric selection should be based on inventory results. In addition, the studies at all three mines demonstrated that mining companies have a low to moderate impact on biodiversity.

GRI 304-2

Polyus' mainly influences biodiversity in the areas of its operations by the landscape separation by industrial facilities. Animal habitat and vegetation overgrowing can be reduced due to industrial sites, roads and quarries. Species composition and number of organisms in the area is affected by the heat accumulated by the dumps. There is also direct dusting impact caused by dumps formation and blasting works. However, vegetation analysis indicates the neutral nature of dust deposits.

In 2020, \$235 thousand was spent on biodiversity conservation activities.

A number of programs are implemented to preserve biodiversity and to conserve wildlife, plant habitats, and ecosystems. As part of biodiversity monitoring and assessment we collaborate with various research institutes, especially those working in the regions where we operate, including:

- the Federal Research Science Center of the Institute of Forestry (Siberian Branch of the Russian Academy of Sciences), Krasnoyarsk;
- the Reshetnyov Siberian State University of Science and Technology, Krasnoyarsk;
- the Federal Center for Forest Protection, Krasnoyarsk;
- the Institute of Systematics and Animal Ecology, Novosibirsk;
- the Federal State Research Institute for Fisheries and Oceanography (Magadan branch); and
- the Expert Scientific Organization (VNII-1), Magadan.

The results of our biodiversity monitoring activities are shared with stakeholders, including on the Company's website, in publications in scientific journals, and at conferences. The table "IUCN Red List species and national conservation list species" shows red-listed species found during monitoring activities in the area of Polyus' operation impact and correlates IUCN species with Russian species classification.

GRI 304-3

CASE STUDY

REFORESTATION PROGRAM

Increasing reforestation is a critical task facing the Ministry of Natural Resources and Environment of the Russian Federation, forestry authorities and forest land tenants. It is therefore important that Polyus, as one of the biggest companies in its regions of operation, is involved in reforestation activities.

In order to fulfil its reforestation responsibilities, Polyus established a Reforestation Office as part of its Legal Department in 2020. During the reporting period the Company carried out reforestation work in the Irkutsk Region on a total area of 325 ha. Forest crops of coniferous pine were planted, which will give rise to at least 1.3 million new young coniferous trees in the future.

Polyus has signed contracts for reforestation work on a total area of 1,396 ha in the Krasnoyarsk Region, Irkutsk Region, Republic of Sakha (Yakutia), and Magadan Region in 2021 and we plan to expand the area we reforest further in future years. Coniferous pine and Dahurian larch forest crops will be planted, resulting in the future growth of at least 5.5 million coniferous trees. As an example, in March 2021, Olimpiada and Blagodatnoye signed a contract with Boguchansky Forestry to carry out reforestation over 450 ha with about 2 million future pine trees.



ICMM
Protected areas



LESSONS LEARNED

In order to reduce our environmental footprint we take regenerating measures alongside with mitigating measures.

ENVIRONMENTAL STEWARDSHIP CONTINUED

Level of extinction risk	Species name	Business unit	Comments
Critically endangered		All	Not found
Endangered		All	Not found
Vulnerable Least concern		Krasnoyarsk	Not found
		Kuranakh	Not found
	Falco peregrinus Tunstall	Verninskoye	Birds' migration routes. Rare species at national classification. The population has a "Declining" status in Russia
	Anser fabalis middendorffii (Sev.)	Verninskoye	Birds' migration routes. The population of subspecies has "Rapidly declining" status.
		Natalka	Not found
		Krasnoyarsk	Not found
	Alcedo attis L	Kuranakh	Rare species with sporadic distribution at national classification
	Cygnus cygnus L.	Verninskoye	Birds' migration routes. Rare species at national classification
	Falco columbarius L.	Verninskoye	Birds' migration routes. Rare species at national classification
	Cygnus bewickii L.	Natalka	Birds' migration routes. The population has "Recovering" status in Russia
	Falco tinnunculus L.	Natalka	Birds' migration routes. Rare species at national classification. The population has a "Declining" status in Russia
	Cygnus cygnus L.	Natalka	Birds' migration routes. Rare species at national classification
Rare species		Krasnoyarsk	Not found
		Kuranakh	Not found
	Corydalis paeonifolia L.	Verninskoye	III category. Rare relict species with sporadic distribution at national classification.
		Natalka	Not found

GRI 304-4

During the years of monitoring no other taxons of red-listed species were found, although all kingdoms have been investigated. For example, apart from higher plants and animals, the kingdom of mushrooms and lichens, has been widely spread and studied at the territory of mining and processing plants, but no red-listed species are identified among them. Red-listed mammal species were not identified in the territory of all mining and processing plants in the course of the monitoring.

CASE STUDY**POLYUS RECOGNIZED IN CDP'S FORESTS PROGRAM RANKING**

In 2020 we received a CDP ranking in the Forests category. Polyus was the only mining company among the 25 largest in the world by market capitalization, and one of very few Russian companies, that responded to a CDP Forest questionnaire. Morgan Gillespy, director of CDP's Forest Resource Management department, named Polyus as among the first 10 companies to provide information in this area. In particular, Gillespy noted the Company's activities to protect biodiversity in the regions where it operates, as well as its monitoring activities, in cooperation with the Vitim Reserve, to assess the impact of mining operations in the Bodaibo Region.



ICMM
Protected areas

**LESSONS LEARNED**

Transparency is the first step on a way to environmental stewardship. We regularly disclose data under the requirements of CDP and anticipate more partners and peers to join the initiative.

Hundreds of coniferous saplings are planted each year at Polyus mines, as part of spring landscaping work. Reforestation by Polyus employees has become a tradition at Polyus – sites in Krasnoyarsk – and Kuranakh, as well as at the Moscow head office, which has been planting spruce trees in the Tula Region for several years.

However, by far the most important activity Polyus performs to protect forests is fire prevention work. This ensures that mines are ready to combat forest fires each summer. Together with monitoring activity, this allows us to protect the surrounding forests and prevent forest fires from occurring or deal with them promptly. In 2020, Polyus spent over \$1 million on fire protection activities at its main operating units.

Polyus' operating assets are mainly surrounded by coniferous trees, such as larch, fir, and pine. The health of these vital ecosystems is assessed as part of annual monitoring, during the annual assessments of the Olimpiada and Blagodatnoye, Verninskoye, Kuranakh, and Natalka assets. The Olimpiada mine is located in the Yenisei Forestry Area of fir and mixed dark coniferous forests in the Severo-Yeniseysky District. Specialists from the Forest Institute of the Siberian Branch of the Russian Academy of Sciences monitor forest areas exposed to high dust loads and rehabilitated dumps, such as the Tyryda Zolotaya open pit, as well as control areas of primary and secondary forest (i.e. those without any pronounced man-made impacts). In 2019–2020 thermal backgrounds were assessed at the Olimpiada mine and Panimba area based on satellite information, as Siberia's vegetation is not only exposed to anthropogenic impacts, but also to natural environmental and climate changes. The assessment results allowed us to promptly track changes in the status and dynamics of plant communities in Siberia, which is very important for remote areas (which cannot always be reached by expeditions). This was the first time Polyus had carried out a study of this type.

CASE STUDY**FISH FRY COMPENSATION PROGRAM**

As part of Polyus' biodiversity compensation work in 2020, over 380,000 fry of Siberian sturgeon, whitefish, peled, and grayling were released into rivers. Fish compensation measures in 2020 cost nearly \$122 thousand.

Polyus actively participates in environmental activities related to the restocking of commercial fish and the replenishment of biological resources in the Krasnoyarsk Territory. Polyus chose the Siberian sturgeon for a reason: since 2020 it has been included in the IUCN Red List of Threatened Species, which means it has state protection, and it also has a high fishing return rate.

At the end of June 2020, as part of measures to restock aquatic biological resources in the Republic of Sakha (Yakutia), peled larvae were released into a reservoir. Over \$9 700 was spent on this environmental project.

In 2020, Polyus Magadan also released 13,024 peled fry into the River Elikchen, at a cost of over \$3,500, while Polyus Verninskoe carried out fish compensation work at the Bratsk Reservoir (where over 29,000 fry were released).



ICMM
Protected areas

LESSONS LEARNED

To prevent and mitigate our operations' potential impact, we carry out biodiversity compensation program to maintain or even enhance the quality of local ecosystems.

¹ Conservation of biodiversity.

ENVIRONMENTAL STEWARDSHIP CONTINUED

The Natalka mine is part of the Kolyma-Verkhoyansk larch woodland zone of the East Siberian taiga softwood subregion. As part of environmental monitoring at the mine, five sample areas are monitored by phytogeographers to assess the health of larch tree growth, the viability of the forest ecosystem, and

the age structure of undergrowth. In 2019 there was a substantial rise in the number of two-to-three-year-old larch saplings up to 10 cm high, as over 80 plants aged two-to-three years were spotted in the sample area, which means that the ecosystems' condition is improving.

PLANS FOR 2021 AND THE MIDTERM

Polyus has identified the following operational tasks for 2021 and the medium term:

- Proceed with environmental risk-management, including annual environmental protection assessments;
- continue work within the framework of the Polyus 'Water campaign';
- complete the construction of a landfill facility for industrial waste at Kuranakh;
- continue with the development of an automated tailings monitoring system;
- within the next five years implement an in-house Global Tailings Management Standard;
- carry out upgrades to environmental laboratories (at Verninskoye, Kuranakh, and Natalka); and
- collate the results of all biodiversity monitoring and assessment studies and disclose them to stakeholders.

CASE STUDY

POLYUS JOINS ICMM'S INITIATIVE ON PRESERVING BIODIVERSITY

In February 2020, the International Council on Mining and Metals (ICMM) worked with member companies to submit a proposal to the UN Convention on Biological Diversity. As a company that extracts resources and exploits ecosystems, Polyus fully recognizes the role of mining in biodiversity conservation and supports efforts under the UN Convention on Biological Diversity to create a global post-2020 biodiversity program.

We believe this program should be based on established best practices. In order to demonstrate the progress that has occurred in recent decades regarding biodiversity protection in the mining industry, effective indicators, accounting systems, and assessment methods are needed. A target of 'No net loss of biodiversity' was announced by the ICMM, as part of its work to mainstream the activities of mining companies in the area of biodiversity conservation. In addition, respecting the rights of local communities is a key consideration when developing strategies to reduce biodiversity risks.

Furthermore, the ICMM submission suggested that governments around the world could promote good practices among mining companies, including meeting strict minimum criteria and demonstrating high business standards to protect their reputation.



LESSONS LEARNED

Addressing environmental restoration and conservation in a holistic and systematic way can help extractive industry companies rehabilitate and support biodiversity and use land in the most effective way. As a mining company, we acknowledge our responsibility in supporting industry and global initiatives for preventing the biodiversity loss.

¹ Conservation of biodiversity.



ENERGY AND CLIMATE CHANGE



REDUCTION IN CARBON INTENSITY VS 2018

28%

REDUCTION IN TOTAL GHG EMISSIONS, THOUSAND-TONNE CO₂-E

383

ENERGY SAVED PER OUNCE OF GOLD PRODUCED, MJ/OZ

4.8

KEY EVENTS:

- Commissioning of the Ust-Omchug – Omchak Novaya 220-kV powerline.
- Completely eliminating internal energy generation from heavy hydrocarbons.
- Establishing Polyus' Operational Council for Energy Projects.
- Drafting a position statement on climate change as an introduction to the climate strategy.
- Assessing climate risks and their potential impacts.
- Piloting a suite of qualitative and quantitative tools to identify physical and transition risks at Kuranakh.

GLOBAL SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES

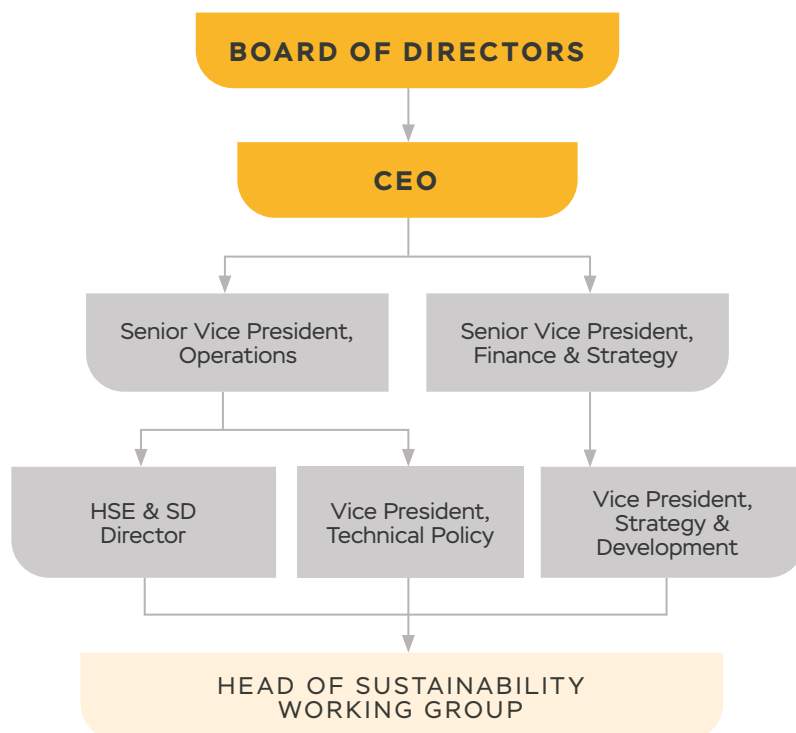


¹ Environmental performance.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Eliminating own fossil-fuel-based energy generation.	Achieved	Decommissioning Krasnoyarsk thermal power plant at Olimpiada and connecting Sukhoi Log to the federal power grid.
Internal energy audits across all business units.	Achieved	All planned audits complete. Five-year strategic plans for each business unit have been developed.
Preparing a climate change position and making climate-related risk assessments.	Achieved	Qualitative assessment of climate risks faced by the Company and a financial assessment of climate risks for Kuranakh were conducted. The Company's position on climate change was developed.
A 15% reduction in carbon intensity per tonne of processed ore (2020 vs 2015).	Achieved	28% reduction vs 2018 was reached ²
Commissioning the 220-kV Ust-Omchug – Omchak Novaya powerline.	Achieved	The project is complete. The powerline provides an additional electrical capacity of 38 MW to Natalka.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Sustainable Use of Natural Resources and Prevention of Environmental Pollution Standard
- Energy Policy

External

- Recommendations of the Task Force on Climate-related Financial Disclosures
- ICM Environment and Climate Change work program
- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard

² 2020 and 2015 indicators are not comparable due to the changes in the methodology of calculation.

ENERGY AND CLIMATE CHANGE CONTINUED

MANAGEMENT APPROACH

GRI 103



The global economy must act decisively to decarbonize and combat climate change. This global agenda will affect our business: we need to understand Polyus' carbon footprint, and introduce low-carbon and energy-efficient technologies to reduce it. At this point, the Company is working on a climate strategy, which will define our path toward decarbonization."

MIKHAIL STISKIN

SENIOR VICE PRESIDENT,
FINANCE AND STRATEGY

We fully understand and recognize that climate change poses a number of serious risks to the planet. Therefore, moving toward a low-carbon future is one of the key principles of our energy management strategy. As one of the largest players in the gold mining industry, we are committed to taking proactive measures to mitigate climate change, based on the principles of sustainability.

The mining industry makes a significant contribution to global GHG emissions. Polyus, as one of its leading players, is aware of its responsibility to contribute to ensuring a low-carbon and sustainable future. We are confident that the future prosperity of companies in the mining sector, and other industries, is possible only if we make joint efforts to develop sustainable energy management strategies. We are committed to combating climate change by improving the energy efficiency of our operations, and to meeting our internal goals to reduce GHG emissions. These goals are set in accordance with our Energy Policy, which is part of our corporate Technical Policy.

Energy management and climate change mitigation issues are governed at top management and Board level, and also fall within the area of responsibility of our Independent Director William Champion, along with other aspects of sustainable development. In addition, in 2020 the Company set up an Operational Council for Energy Projects to improve the management of energy projects and to optimize business processes.

Polyus is a full member of the International Council on Mining and Metals, which fosters sustainable mining practices and encourages cooperation among the world's largest mining and metals companies. We actively participate in discussions on various sustainable development issues within the industry, including on countering climate change. In the previous reporting period Polyus took part in quarterly sessions dedicated to the new ICMM Climate Change Position Statement. During these discussions we promoted the idea to support work on R&D projects in the field of reducing GHG emissions. We strongly believe that the development and enhancement of sustainable technologies is key to achieving the COP 21 Paris agreement goals.

CLIMATE CHANGE AND GHG EMISSIONS

GRI 305-2 · GRI 305-5

Polyus continually makes efforts to decrease GHG emissions from our operations through effective energy management and the implementation of emissions reduction initiatives. These include reducing our energy generation by connecting to external power grids and hence reducing the volume of non-renewable energy consumed. We also boost the energy efficiency of our operations through constant upgrading of our technologies and equipment.

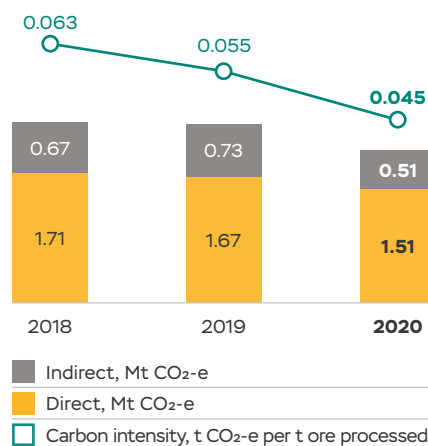
In 2020, Polyus decided to revise the methodology it uses for calculating greenhouse gas emissions, as its five-year period of use has expired. For direct GHG emission calculations we used emission factors provided by the GHG Protocol (mobile and stationary fuel combustion) and the IPCC 2006 Guidelines for National Greenhouse Gas Inventories (waste decomposition and wastewater emissions). In addition, global warming potential (GWP) values presented in the IPCC Fifth Assessment Report ('AR5') were applied. For indirect GHG emissions we used carbon footprint grid electricity emission factors, as well as calculations of emission factors based on International Energy Agency (IEA) data for heat energy. When calculating direct GHG emissions, mobile and stationary fuel combustion and emissions from the decomposition of waste and wastewater are now included. In mobile fuel combustion, emissions from road and off-road vehicles are now counted separately, using different factors, which gives more accurate results.

Polyus set itself a target to achieve a carbon intensity level of 0.11 tonnes of CO₂-e per tonne of processed ore by 2020. As a result, total GHG emissions were reduced by 16% compared to the level in 2019, to 2.02 million tonnes of CO₂-e, while the carbon intensity of production was 0.045 tonnes of CO₂-e per tonne of processed ore, which corresponds to a 28% drop on 2018 and a result that exceeded our expectations.¹

We continued to improve non-financial disclosure practices, which is reflected in our Carbon Disclosure Project (CDP) rating. In 2020, we once again raised our scores in the Climate Change and Water Security categories – from D to C. We plan to continue to make progress in this area and adhere to high standards related to sustainability and the transparency of our operations, and be fully mindful of the impacts we have on the global climate and the environment.

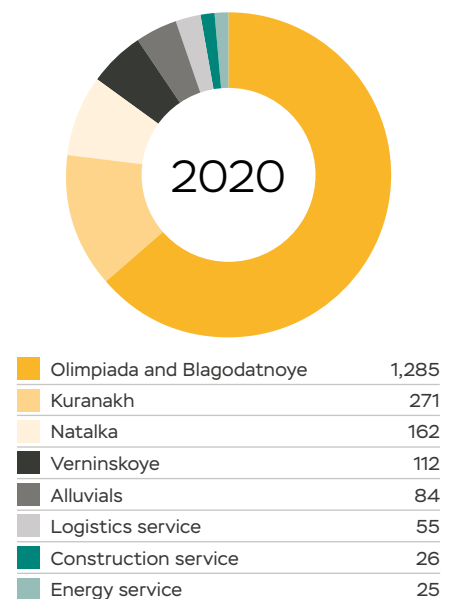
GRI 305-1 · 305-2 · 305-4

TOTAL GHG EMISSIONS AND CARBON INTENSITY, 2018-2020, MtCO₂-e



The initiatives and projects implemented by Polyus in the reporting period have laid a solid foundation for meeting the objectives we have set ourselves for managing climate risks and reducing GHG emissions. We intend to continue our active participation in the development of the mining industry, based on the principles of sustainability, and are ready for an open and transparent dialogue with stakeholders and other market players to ensure continued progress in the area of emissions management.

TOTAL GHG EMISSIONS BY BUSINESS UNIT, 2020, ktCO₂-e



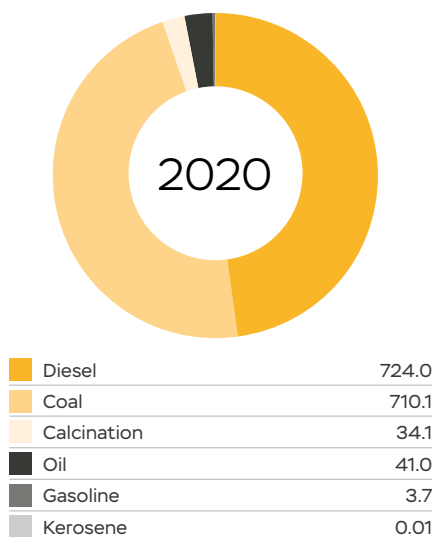
COMPARATIVE CARBON INTENSITY OF BUSINESS UNITS

Business unit	Ore processed, kt	Carbon intensity, t CO ₂ -e per tonne of ore processed
Olimpiada and Blagodatnoye	22,836	0.056
Verninskoye	3,277	0.034
Kuranakh	7,563	0.036
Natalka	11,437	0.014

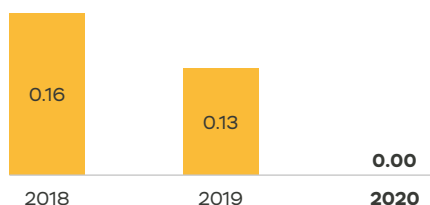
¹ Hereinafter emissions produced by engineering and security services are not included in total GHG emissions of Polyus.

ENERGY AND CLIMATE CHANGE CONTINUED

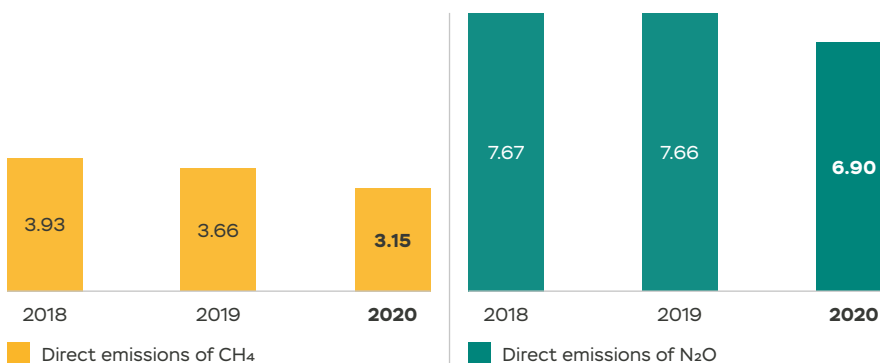
TOTAL DIRECT GHG EMISSIONS BY SOURCES, 2020, ktCO₂-e



GHG EMISSIONS ARISING FROM USING BIOFUEL (FIREWOOD) AS AN ENERGY SOURCE, 2018-2020, ktCO₂-e



DIRECT EMISSIONS OF CH₄ AND N₂O, 2018-2020, ktCO₂-e



GRI 201-2

CASE STUDY

CLIMATE-RELATED RISK ASSESSMENT

During the reporting period, Polyus analyzed the effects that climate change could have on the Company's business processes and assessed the potential impacts of the consequences of climate change on our operational and financial sustainability. It was the first time we had carried out such an analysis, and the work also included a pilot quantitative assessment of climatic risks for Kuranakh, based on TCFD methodological recommendations (assessments of other business units are planned for 2021).

The assessment comprised identifying scenarios, documenting material climate-related risks and their characteristics, conducting risk sessions with Kuranakh specialists, risk mapping, and scenario analysis. The scope of the scenario analysis was a 10-year period up to 2030. Three scenarios were considered during the assessment:

- the Paris agreement scenario (limiting global warming to 1.5 degrees Celsius);
- the transition scenario (limiting global warming to 2 degrees Celsius); and
- the 'business as usual' scenario (leading to global warming of more than 4.5 degrees Celsius).

Transition-related risks (i.e. those associated with the transition to a low-carbon economy) were assessed as significant, while

physical risks varied from moderate to critical.

Another result of the analysis was the preparation of a strategic document setting out the Company's position on climate change, in accordance with TCFD and ICMM recommendations, as well as the Sustainable Development Goals (SDGs). The document was published in early 2021 and describes the principles of the Company in the following areas:

- climate change mitigation;
- enhancing resilience to the consequences of climate change;
- seizing opportunities presented by climate change;
- striving for openness and information disclosure; and
- cooperation in responding to climate change.



¹

ICMM
Climate Change



LESSON LEARNED

Climate-related risks are significant for Polyus' operations and the climate change risk assessment we conducted in 2020 is an important step toward avoiding or mitigating them. We gained important insights into how we should act in order to be able to over the long term.

¹ Environmental performance.

GRI 201-2

CASE STUDY

PERMAFROST ZONE MANAGEMENT

In 2020, Polyus analyzed the impact of the potential consequences of climate change on the Company's operational sustainability. This analysis included an assessment of the likelihood of a melting of permafrost soils. This risk is particularly pertinent for Polyus, as 43% of the Company's production takes place at enterprises located in permafrost zones (all assets, except for Olimpiada and Blagodatnoye). However, the results of the analysis showed that the risk of permafrost melting is very low, and hence the potential negative consequences are negligible.

The insignificance of the potential consequences is due to the fact that rocky and other low-compressible soils are more common at our sites, and when these decompose during thawing permissible safety limits are not breached, which makes the structures inherently safe. Also, at Verninskoye and Natalka, as well as in the area of the future Sukhoi Log project, temperature sensors have been installed to monitor the state of permafrost soils and, most importantly, the seasonal thawing depth.

In addition, Polyus regularly conducts geophysical surveys to determine locations of taliks – areas of thawed or unfrozen soil. At Natalka sensors have been installed in water streams to detect taliks, and in 2021 the Company plans to also install them in the sub-permafrost aquifer.

LESSON LEARNED

The results of the analysis of potential climate change consequences indicate that Polyus is well positioned to transition to effective strategic management of climate-related risks.

ENERGY MANAGEMENT

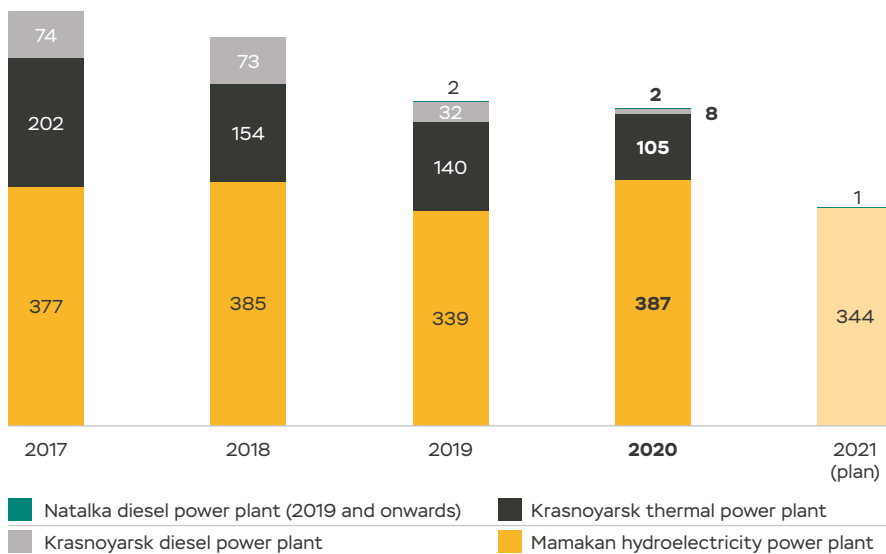
GRI 302-1

TURNING TO RENEWABLE ENERGY

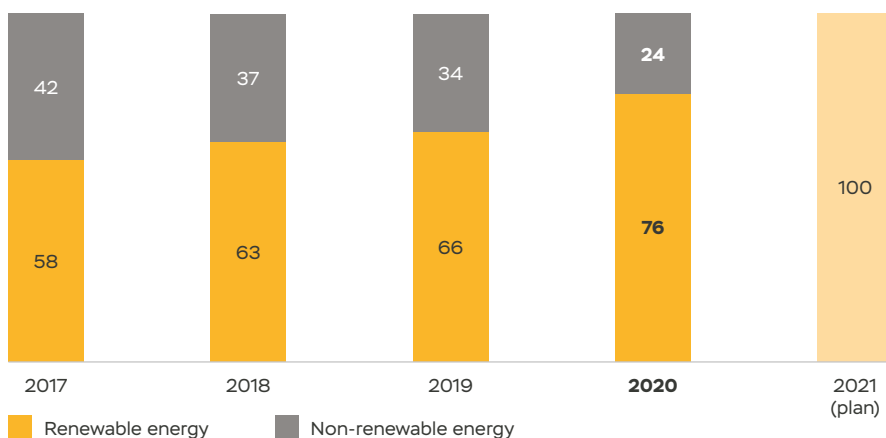
The adoption of renewable energy sources is now a prerequisite for creating a sustainable future. Hence, Polyus strives to improve its energy supply by switching from carbon-intensive to more sustainable energy generation. This predominantly comprises hydroelectric power, which is most actively used at our Mamakan power plant.

We implement projects to restructure our power grid, in order to reduce the percentage of non-renewable energy produced and consumed. As a result of these initiatives, in the reporting period we raised the proportion of renewable energy in our total energy generation from 66% in 2019 to 76% (or 387 million kWh) in 2020, which exceeded the target set at the end of 2019 (73%). We now plan to raise our proportion of renewable energy even further, to 100%, in 2021.

POLYUS' ELECTRICITY GENERATION, 2017 – 2021, MILLION kWh



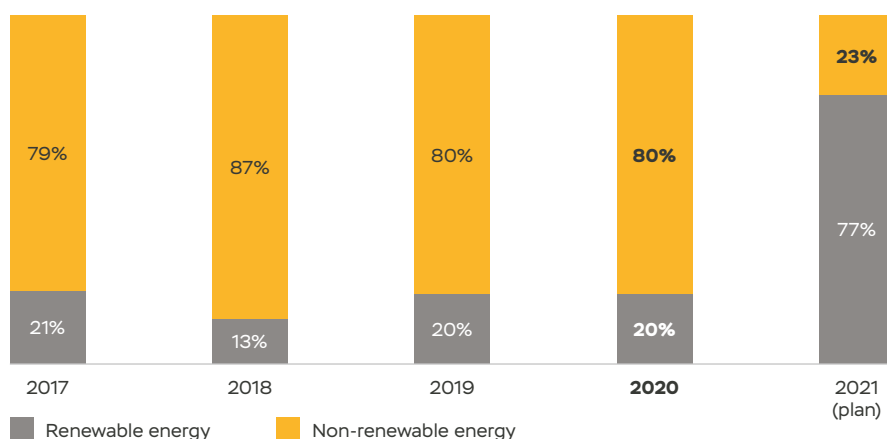
PERCENTAGE OF RENEWABLE ENERGY IN POLYUS' ELECTRICITY GENERATION, 2017 – 2021, %



ENERGY AND CLIMATE CHANGE CONTINUED

Our production assets are supplied with energy from five hydropower plants. Starting in 2021, 77% of the electricity requirements of our operating assets will be covered by renewable sources. These efforts form a major part of the Company's decarbonization program.

SHARE OF RENEWABLE ENERGY IN ELECTRICITY CONSUMPTION AT POLYUS PRODUCTION ASSETS¹, 2017 – 2021



PERCENTAGE OF TOTAL POLYUS ENERGY CONSUMPTION COVERED BY HYDROPOWER PLANTS FROM 2021 (PLANNED)

Hydropower plant	Share	Operating assets powered
Sayano-Shushenskaya HPP	54%	Olimpiada, Blagodatnoye
Mamakan HPP (in accordance with International Renewable Energy Certificate)	23%	Verninskoye, Alluvials
Ust-Srednekansk and Kolyma HPPs	21%	Natalka
Svetlinskaya HPP	2%	Kuranakh

¹ 23% of energy consumption planned for 2021 will be supplied by Mamakan HPP, which can potentially be considered as supplied from renewable sources in accordance with International Renewable Energy Certificate.

² Environmental performance.

GRI 302-1

CASE STUDY

POLYUS PARTNERS WITH RUSHYDRO TO INCREASE ITS SHARE OF RENEWABLE ENERGY

At the start of 2021, Polyus signed a contract with PJSC RusHydro for the supply of approximately

1 billion kWh of hydroelectricity to Olimpiada and Blagodatnoye. This will result in these units deriving 100% of their total electricity from renewable sources, and as a result Olimpiada and Blagodatnoye can expect to almost halve their GHG emissions in 2021. As long as these remain our largest producing assets, Polyus will also reduce its overall emissions significantly. The share of renewables in the Company's energy consumption could reach up to 77%.

The agreement will last until the end of 2021, with an option to renew.

Similar five-year contract was signed between Natalka and PJSC Kolymaenergo (RusHydro subsidiary) at the start of 2020 prolonging 2019 contract. In accordance with the terms of this deal PJSC Kolymaenergo will provide 310 million kWh of renewable energy over the five-year period, which will supply over 90% of Natalka's electricity needs.



²

ICMM
Climate Change



LESSON LEARNED

Entering into partnership with RusHydro signifies Polyus' potential to adapt and overcome emerging environmental challenges by taking steady steps towards switching to renewable energy sources.



Ust-Srednekansk HPP



Svetlinskaya HPP



Sayano-Shushenskaya HPP



Mamakan HPP



Kolyma HPP

ENERGY AND CLIMATE CHANGE CONTINUED

GRI 302-1 · GRI 302-4

Polyus strives to reduce its environmental impact by applying the most climate-friendly energy management practices. We constantly endeavor to boost energy efficiency at our operations in order to meet the expectations and needs of our stakeholders. Goals in this area are set in accordance with our energy strategy and the results of internal audits conducted at all business units.

In the future we plan to bring the management of all our divisions into compliance with the ISO 50001 standard. One of the standard's requirements is for a technical accounting system for energy resources to be established at enterprises. We are therefore working hard to introduce automated control systems for fuel and energy resources. In 2020, project documentation was completed for the development of an accounting system for heat and energy resources at Natalka. The implementation of the project has already begun, and an energy management system will now be gradually introduced. In the reporting period Verninskoye once again successfully passed the ISO 15001 audit procedure and was recertified; it is currently the only Polyus division certified under the ISO 50001 standard.

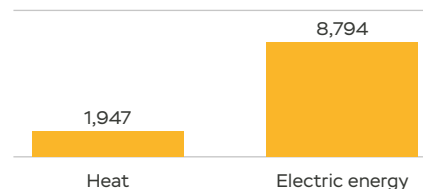
One of our most important achievements in the reporting period was the complete elimination of our own sources of energy generation from heavy hydrocarbons. The energy requirements of our production sites are now fully covered by external electrical networks. Thanks to the connection of all nearby quarries to the 110-kV Vidnaya substation, which was also commissioned in 2020, it became possible to achieve our longstanding goal of discontinuing use of the TPP-1 in Krasnoyarsk. It continues to operate as a boiler house, but no longer generates electricity.

Polyus continues to improve its GHG emissions management. In 2020, we completed a series of internal energy audits covering all the Company's business units. The last business unit for which we received a report was the Krasnoyarsk business unit (Olimpiada and Blagodatnoye). A five-year energy efficiency program has been drawn up for each business unit and, in order to prepare for the implementation of measures following the results of the audits, Polyus conducted a carbon management training for corporate environmentalists in 2020.

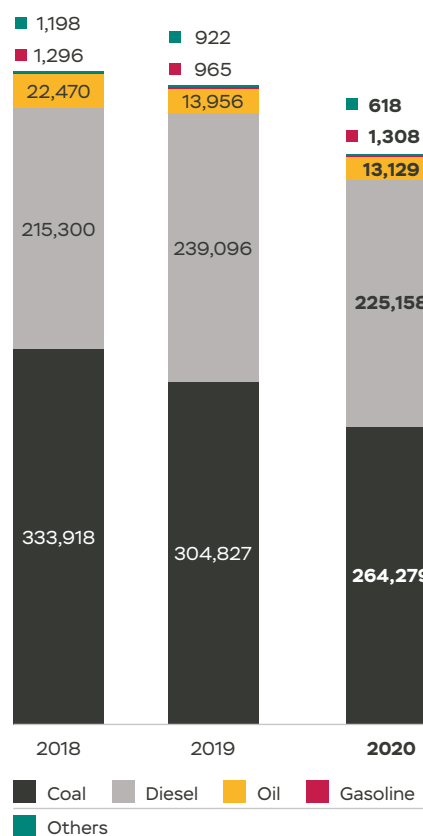
A number of energy efficiency enhancements were also implemented during the year, based on the results of energy audits conducted in 2019 at Kuranakh and Verninskoye. These measures included upgrades and introducing new systems and equipment with greater energy efficiency and reliability and lower energy consumption. For example, we commissioned a system for automatic voltage maintenance at two isolation transformers at Verninskoye, and upgraded soft starter systems at the lime mill at Kuranakh.

In 2020, Polyus consumed 84 TJ of thermal energy and 6,971 TJ of electricity (purchased for consumption). Thus, total energy consumption at all Company enterprises stood at 10,741 TJ (related costs are given in the Polyus 2020 Annual Review). In addition, energy savings per ounce of gold produced in the reporting period amounted to 4.8 MJ/oz (with total reduction of 13,290,383 MJ). This result was achieved by increasing the energy efficiency of production and implementing a number of other measures to combat climate change.

TOTAL ENERGY USED,¹ 2020, TJ



BREAKDOWN OF CONSUMPTION BY PRIMARY ENERGY SOURCE, 2018-2020, T



TOTAL ENERGY PURCHASED AND PRODUCED, 2020

	Heat, TJ	Electric energy, TJ
Energy purchased for consumption	84	6,971
Total energy produced	1,863	1,823

¹ Includes purchased and produced energy.

² Environmental performance.

CASE STUDY

UST-OMCHUG – OMCHAK NOVAYA 220-KV POWERLINE

In 2020, in the Magadan Region, the construction of the Ust-Omchug – Omchak Novaya power transmission line (with a 220-kV distribution point) and the 220-kV Omchak Novaya substation were completed. Both have already been commissioned.

The implementation of these projects lasted from 2016 to 2020. The energy produced by the facilities is used in the development of the Yano-Kolyma gold ore province. The Ust-Omchug – Omchak Novaya powerline provides an additional electrical capacity of 38 MW for Polyus' Natalka business unit and will be able to service growth in loads at a number of fields. The transfer of electricity generation has made it possible to load the Kolyma HPP and reduce our own energy production, by using a diesel generator. In addition, the project helps attract investment in the development of the region's infrastructure. Polyus has previously made similar contributions to improve and develop the energy infrastructure in Krasnoyarsk and the Irkutsk Region.

Ust-Omchug – Omchak Novaya is the first 220-kV powerline in

the Magadan Region to use high-strength wire, and the reinforcement of the substation slope was performed using reinforced soil technology. It is also the first line in the Russian Far East to use electrolytic grounding rods, at some of the towers. The substation is highly automated, and can be controlled from one workstation. This is a unique project in the region.



2

ICMM
Climate
Change



LESSON LEARNED

Construction of the Ust-Omchug – Omchak Novaya powerline is an example of how imaginative and farsighted energy management can both benefit the Company and contribute to local communities' wellbeing.

PLANS FOR 2021
AND THE MEDIUM
TERM

Polyus has identified the following operational tasks for 2021 and the medium term:

- Elaborate the Planning and Accounting for Electricity Consumption by the Company standard. In 2020, a draft planning module was developed to implement the Enterprise Resource Planning program (ERP).
- undertake qualitative assessments of climate risks faced by the Company and a financial assessment of climate risks for the three business units of Krasnoyarsk (Olimpiada and Blagodatnoye), Natalka, and Verninskoye;
- assess the viability of using renewable energy sources at Sukhoi Log;
- upgrade the automated control system for fuel and energy resources at Verninskoye and conduct the first stage of implementing a similar system at Natalka;
- devise energy efficiency measures based on the results of an energy audit of the Krasnoyarsk business unit (Olimpiada and Blagodatnoye);
- commission the WK-20 excavator at Blagodatnoye;
- begin implementing the SS 110-kV Gurakhta and SS 35-kV Verkhnyaya projects at Blagodatnoye;
- construct the 35-kV powerline 14A at Kuranakh, and implement a project to enhance the reliability of the power supply system, including elaboration of documentation for switching power-receiving devices from the third to second category of reliability; and
- replace the KE 25-14A boiler at Kuranakh.



LOCAL COMMUNITIES



ALLOCATED TO SOCIAL SUPPORT ACTIVITIES, MILLION \$

>50.6

ALLOCATED TO INFRASTRUCTURE DEVELOPMENT PROJECTS, MILLION \$

37

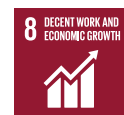
IN TAX AND LICENSE PAYMENTS REMITTED TO THE FEDERAL BUDGET, MILLION \$

645

KEY EVENTS:

- Co-founding a response fund to finance activities to help prevent the spread of COVID-19 in the Russian Far East; over \$13.9 million was invested.

GLOBAL SUSTAINABLE DEVELOPMENT GOALS



ICMM SUSTAINABILITY PRINCIPLES

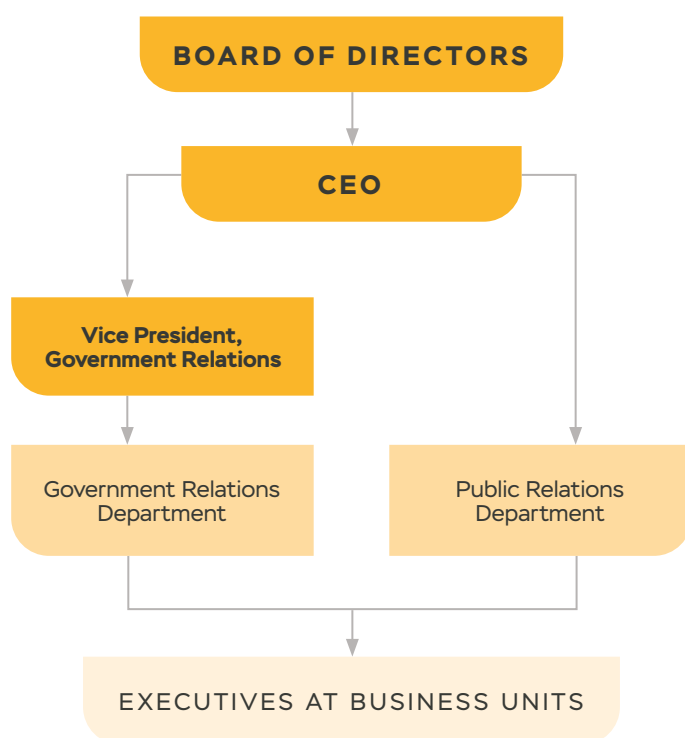


¹ Social performance.

2020 PERFORMANCE AGAINST GOALS

Goal	Status	Summary of progress in 2020
Further development of infrastructure projects in the remote town of Bodaibo.	Achieved	Improved living standards and enhanced sporting infrastructure.
Improvements to social infrastructure in the Magadan Region.	Achieved	Completion of the Ust-Omchug – Omchak power project in the Magadan Region. Following the completion of construction and receiving permits to operate from state regulators, Nataka was successfully connected to a new 220 kV power grid, Ust-Omchug – Omchak.
Continued support for cultural projects with Moscow Kremlin museums.	Achieved	Polyus sponsored the Carl Fabergé & Feodor Rückert exhibition, featuring Russian enamel masterpieces at the Moscow Kremlin Museum.
Continuing to hold the Territory festival.	Postponed	The festival of contemporary art Territory. Irkutsk, which was due to take place in Irkutsk in November 2020 was postponed to 2021 to help prevent the spread of COVID-19.
Organizing the 'Golden Season' anniversary in all four regions of operation.	Achieved	Between February 13 to April 20, 2020 the organizing committee received 36 competition applications from theatres, creative associations, and amateur troupes in the Krasnoyarsk Territory, Yakutia, and the Irkutsk and Magadan Regions.
Continuing to support the 'Ysyakh' national holiday celebration in the Republic of Sakha.	Canceled	This event was unfortunately cancelled, to help prevent the spread of COVID-19.

ALLOCATION OF RESPONSIBILITIES



RELEVANT DOCUMENTS

Internal

- Charity, Donations, and Sponsorship Policy
- Regulation on Charity and Sponsorship Project Management
- TStandard for Engagement with Indigenous Peoples
- Regulation on Interacting with State Authorities, Local Governments, and Infrastructure Organizations
- Stakeholder Engagement Policy
- Human Rights Policy

External

- UN Global Compact initiative
- The Extractive Industries Transparency Initiative

LOCAL COMMUNITIES CONTINUED

MANAGEMENT APPROACH

GRI 203-1 · GRI 203-2



Every year we undertake a host of community development projects which aim to improve social infrastructure, boost education and celebrate the unique cultural heritage in the regions where we operate. Despite the pandemic, in 2020 we continued our planned social programs – and significantly increased our engagement, thanks to a huge range of joint projects to combat the virus. This is how we work at Polyus: we respect, involve and cooperate with our local communities, and grow alongside them."

SERGEY ZHURAVLEV,
VICE PRESIDENT,
GOVERNMENT RELATIONS

As one of the world's top 10 gold mining companies and the number one gold producer in Russia, Polyus is fully aware of its responsibility to mitigate any possible harm from gold mining activities and to contribute to regional and national economies. We do this not only through providing employment, tax payments, environmental impact management, and infrastructure development, but also through having a positive impact on the quality of life of local communities in the regions where we operate.

In line with the ICMM sustainability principles, Polyus contributes to the social, economic, and institutional development of communities local to its operations.

In accordance with the Polyus business strategy, the Company conducts a wide range of social and economic projects and initiatives. Polyus regularly offers social assistance to regional communities through charity campaigns, donations, and sponsorship, which support a broad range of social and economic values across various spheres: science, sport, and the arts, in addition to environmental security. The strategic sustainability-related objective of the Company in relation to local communities is to be a reliable partner to all stakeholders, including local communities in our areas of operation, and to maintain an open dialogue with stakeholders, always taking their interests into account when making decisions.

Polyus operates a community feedback system, which covers the Company's main projects and is used to receive, monitor, and respond to complaints and issues from community representatives. Polyus aims to be aligned with the expectations of local communities and businesses, and Polyus hotlines can be used by people outside the organization. Working together with communities forms a substantial part of our approach to overseeing human rights issues and taking remedial action where necessary.

Cooperation with both state and regional communities also helps the Company to identify the areas in which we can best support residents in our regions of operation, and to plan more socially beneficial projects that take into account both domestic and environmental legislation and are in line with global standards.

In 2020, the Company implemented a new regulation on how the Government Relations function should interact with local authorities. Understanding local societal expectations is a vital part of forging strong partnerships and achieving sustainability. In 2021, Polyus plans to develop a framework for the Company's charity activities – a document that will set out the Company's strategy in this area, organize current goals and objectives, and facilitate a planned transition to a program-based management method. At the Company, we understand that charity and sponsorship is a process requiring continued improvement and monitoring.

GRI 102-43 · GRI 102-44

STAKEHOLDER ENGAGEMENT IN RELATION TO LOCAL AND INDIGENOUS COMMUNITIES

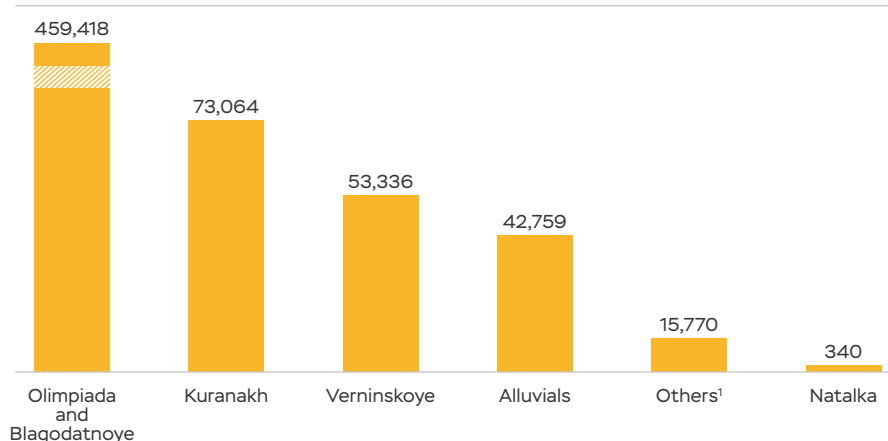
Key concerns of stakeholders	Engagement mechanisms	Function responsible within the Company
Potential environmental and social impacts	Newsletters and targeted communications	Government Relations function Public Relations function
Employment opportunities	Public hearings and meetings	
Infrastructure development	Confidential feedback boxes	
	Charity activities	
	Social programs	

Polyus endeavors to add value to local communities through sports, scientific, cultural and even medical projects. In 2020, which was dominated by COVID-19, market uncertainty, and an economic downturn, the Company adopted a variety of responses to assist in mitigating the worldwide spread of the pandemic. Significant funds were earmarked for measures to tackle COVID-19. In cooperation with the Far East Development Fund, the Company co-founded a COVID-19 response fund to finance activities aimed at preventing the spread of COVID-19 in the Russian Far East, and contributed over \$13.9 million the fund. An initial \$3.5 million tranche funded the purchase of personal protective equipment and medical equipment for local hospitals in the Magadan and Yakutia Regions. The Company also allocated funding for the same purposes to regional healthcare agencies and foundations in the Krasnoyarsk and Irkutsk Regions. Other large companies operating in the same region and managing investment projects in the Russian Far East have also been invited to participate in the fund.

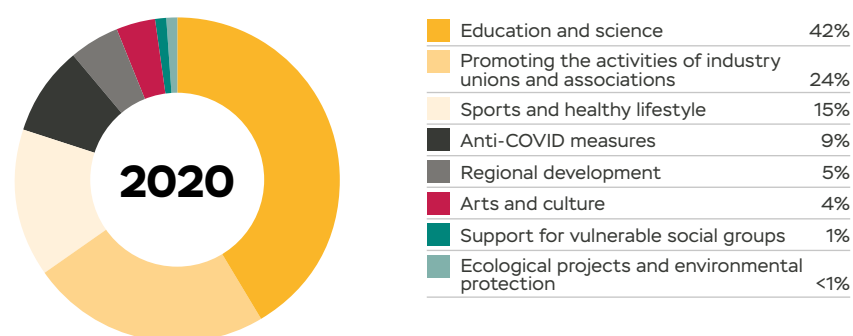
In 2020, Polyus made substantial efforts to sustain its local communities and was also involved in social projects at a federal level. During 2020 the social investments made by Polyus amounted to \$50.6 million, of which almost 10% was assigned to anti-COVID projects. Nevertheless, Polyus retained its emphasis on science, sports, health, and the arts. Expenditure on infrastructure development projects totalled around \$37 million.

Polyus has both direct and indirect impacts on the regions where it operates. Indirect impacts include regular and transparent tax payments made by the Company's business units to regional budgets, which, in turn, contribute to the development of local economies. In 2020, net payments to budgets, including income tax and mineral extraction tax payments (royalties), totalled \$645 million.

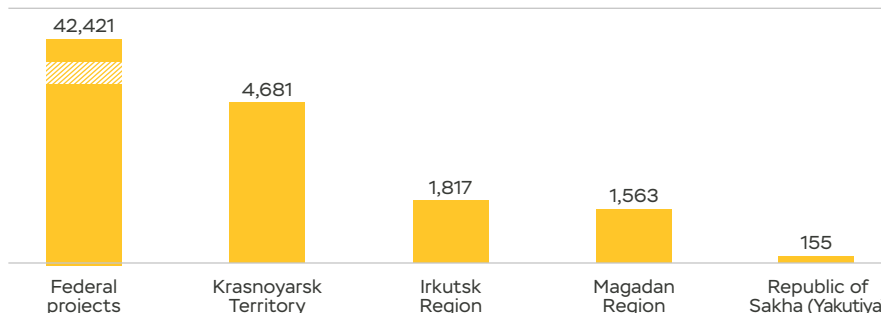
POLYUS NET PAYMENTS TO GOVERNMENTS, 2020, \$ THOUSAND



EXPENDITURE ON SOCIAL SUPPORT BY CATEGORY, 2020, %



EXPENDITURE ON SOCIAL SUPPORT BY REGION, 2020, \$ THOUSAND



¹ Others payments consist of payments made by PJSC Polyus, Polyus Logistika, and other companies, consolidations, and eliminations.

CONTRIBUTION TO SOCIO-ECONOMIC DEVELOPMENT IN THE REGIONS

Polyus operates mainly in the eastern part of Russia – Siberia and the Far East – and values the considerable potential that it has to contribute to the development and prosperity of the regions where its operations are based. The Company actively encourages and supports social and charity projects in these regions: Krasnoyarsk Territory, Irkutsk Region, Magadan Region, and the Republic of Sakha; and envisages a rise in the number of projects in the future, predominantly in the Irkutsk and Magadan Regions.

By implementing local projects, Polyus has a significant positive impact not only on the individual regions, but also on the economy of the entire country. Polyus particularly welcomes initiatives and supports projects in the fields of sports, health, science, the arts, and the environment.

At a regional level, we continue to run a wide range of social and economic projects and initiatives. All previously signed agreements on social and economic cooperation continued to operate in 2020, adjusted for the circumstances of COVID-19, especially in the Irkutsk and Krasnoyarsk Regions. However, four agreements were updated this year to better organize work in this area. The CEO of Polyus and the Governor of the Irkutsk Region signed an additional social and economic cooperation agreement for the Irkutsk Region, for over \$553 thousand. This transaction covered our usual socio-economic development contributions; however, the Company greatly increased the level of funding during the year due to COVID-19-related expenses. In 2020, the managing director of Polyus Aldan also signed a long-term additional agreement with the administrative head of Nizhny Kuranakh, and a short-term one with the head of the Aldan Region. Furthermore, as part of Polyus' efforts to help combat COVID-19, 45 ventilators were donated to hospitals in the regions where the Company operates, to treat COVID-19 patients suffering from severe pneumonia.



FEDERAL PROJECTS

- A COVID-19 response fund, co-founded in cooperation with the Far East Development Fund.
- Working with Moscow Kremlin museums.

EXPENDITURE ON FEDERAL PROJECTS (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$42,421



KRASNOYARSK TERRITORY

- Anti-COVID measures.
- Opening a COVID-19 testing laboratory.
- Children's Day.
- Krasny Yar rugby club.
- Construction of a new multifunctional sports center.
- Zhara half-marathon.
- A competition among theaters, creative associations, and amateur troupes.
- Polyus participated in the scientific and educational center of the Siberian Federal University.
- Installing modern lighting at Severo-Yeniseisky airport.

EXPENDITURE ON PROJECTS IN KRASNOYARSK (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$4,681

EXPENDITURE ON PROJECTS IMPLEMENTED BY POLYUS (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$50,640

TOTAL VALUE OF SOCIAL AND CHARITY PROJECTS IMPLEMENTED IN 2020

\$36,900



IRKUTSK REGION (BODAYBO DISTRICT)

- Anti-COVID measures.
- District hospital in Bodaibo: comprehensive repairs to medical and diagnostic equipment.
- Repairs to the Ivano-Matreninskaya Children's Clinical Hospital neonatal surgery department.
- Construction of both airport building and runway strip at Bodaibo airport.
- Building of a sports complex with a swimming pool in Nizhneudinsk.
- Bodaibo Mining College: a major renovation of the heating system, and purchase of sports and educational equipment.
- Construction of the 'Growth Point' education center at School No. 1 in Bodaibo, focusing on digital and humanitarian education.

EXPENDITURE ON PROJECTS IN IRKUTSK (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$1,817



REPUBLIC OF SAKHA

- Anti-COVID measures.
- Renovation of the children's health clinic at Nizhny Kuranakh hospital.
- Sponsorship of a film to commemorate the 75th anniversary of victory in the Second World War.
- Equipment for the mineral processing laboratory at Aldan Polytechnic College.

EXPENDITURE ON PROJECTS IN YAKUTIA (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$155



MAGADAN REGION

- Anti-COVID measures.
- Purchasing equipment for Tenkinskaya District Hospital.
- Funding to create an Alaska-Siberia Memorial.
- A major renovation of house No. 13 on Mira Street in the village of Ust-Omchug.
- Completion of the Ust-Omchug – Omchak power project.
- Funding for a Polyus-branded classroom for video conferencing at a school in Ust-Omchug, as part of sponsoring the 'Modern Schools' federal project.

EXPENDITURE ON PROJECTS IN MAGADAN (INCLUDING SPONSORSHIPS AND CHARITIES), THOUSAND

\$1,563

LEGEND

- Healthcare
- Arts and culture
- Sports and healthy lifestyle
- Living standards
- Science and education
- Social and economic
- Infrastructure

LOCAL COMMUNITIES CONTINUED

KRASNOYARSK TERRITORY

The Krasnoyarsk business unit is Polyus' largest mining asset, comprising the Olimpiada, Blagodatnoye, and Titimukhta mines. These mines make a significant contribution to the overall economic well-being of the region. Since starting operations Polyus has instigated various volunteering, science, art, and charity projects. However, due to the COVID-19 pandemic and its attendant lockdowns and social distancing measures, these projects are currently partially suspended. However, in normal times Polyus conducts various educational sessions for students, graduates, and residents of the regions where we operate, focusing on the extraction and production of precious metals.

Polyus endeavors to increase the range of recreational activities available to residents in our regions of operation, in order to raise the quality of life and improve social well-being. Hence the Company regularly organizes and supports cultural events, which are usually timed to coincide with public holidays.

CASE STUDY

CHILDREN'S DAY



Recently Polyus, together with the regional Ministry of Health, became involved in a new area of social responsibility: healthcare. On Children's Day, Polyus helped the Krasnoyarsk Center for Motherhood and Childhood acquire specialist simulation-based equipment for neonatal resuscitation. In addition, a special vehicle to transport children in need of palliative care to Krasnoyarsk Orphanage No. 3 was purchased. Polyus will continue with such efforts in the future and will reliably provide assistance where it is needed.



LESSONS LEARNED

We care about the well-being of local people, thus we are dedicated to creating a strong healthcare system for the benefit of the local community.

CASE STUDY

MEASURES TO COMBAT COVID-19

As part of the fight against the COVID-19, in 2020 Polyus earmarked around \$4 million for regional medical institutions to fund the purchase of medical equipment, personal protective equipment, and medications. The Company purchased two CT scanning machines for the Olimpiada GOK and Severo-Yenisei regional hospital, and 23 ventilators for hospitals in the region. In addition, medical institutions in Krasnoyarsk, Achinsk, Lesosibirsk, Yeniseisk, Kansk, and Severo-Yeniseisk received financial assistance.



LESSONS LEARNED

As a reliable social partner, Polyus supported its regions of operation during the COVID-19 crisis. We provided support to the hospitals to ensure that as our employees, so local communities could have an access to high-quality medical aid.



CASE STUDY

SPORTS

Polyus is the main sponsor of the Krasny Yar rugby club. The Company supports both its general activities and has funded the construction of a new multi-functional sports center. The center will be an extensive complex with classrooms, a hotel, gyms, and sports halls. For Krasnoyarsk residents, this will become a cultural hub. The modern facility will be able to train top-class players and provide excellent facilities for visiting teams. Already 560 youth players have been taken under the wing of the club.

In addition, Polyus plans to support a city sports festival, the Zhara half-marathon, which is one of the few events in the country that is specifically for amateur contestants, and where residents from not only Krasnoyarsk but also other regions can participate.

In 2020, the local administration of the Severo-Yeniseisky District also refurbished the local stadium,

using funds from Polyus. This project is a significant event for the region. Elsewhere, Polyus will soon unveil a new sports complex at the Olimpiada GOK (Mining and Processing Complex), where employees will be able to take part in sports after their shifts.

Polyus seeks to carefully assess and manage its sports-related portfolio of projects, regularly analyzing their efficiency and how well they meet the needs of society. The main criteria for choosing a project for Polyus is how much positive social impact it will have.

LESSONS LEARNED

We encourage a healthy lifestyle among communities and employees to reduce the risk of major illness such as heart disease and high blood pressure. We want our people to be safe and live their lives to their full potential.



CASE STUDY

ARTS



In mid-February 2020, Polyus announced a competition for cultural and artistic performances. The competition brought together theaters, creative associations, and amateur troupes in the Krasnoyarsk Territory, the Republic of Sakha (Yakutia), and the Irkutsk and Magadan Regions. A fund of approximately \$80,000 was made available, to be divided among seven shortlisted performance groups. The winners would attend the 'Territory.Irkutsk' festival and have an opportunity to attend lectures and master classes given by leading theatrical figures, and the top three groups would present their performances as part of the festival program.



LESSONS LEARNED

The arts and culture have a great impact on and well-being of local communities. We support cultural projects to contribute to a better quality of life for our communities.

LOCAL COMMUNITIES CONTINUED

CASE STUDY

EDUCATION

We also run projects for schoolchildren and young people, which can be divided into two main groups: social and educational. As an example, Polyus actively supports a youth football championship at the Krasnoyarsk Territory Prosecutor's Cup. We organize many events that give children an opportunity to develop and compete. Many Polyus programs relate to geology and metallurgy, and Polyus gives career guidance in mining to schools and continues this as part of students' trainings in partner educational organizations. Most trainings are run by the Institute of Mining and the Institute of Non-Ferrous Metals and Metallurgy at the Siberian Federal University. At these universities Polyus conducts its own educational programs, with students and even teachers undergoing practical trainings at the Company's enterprises. In addition, joint research projects are undertaken.

Furthermore, Polyus has a partnership with the Museum of Geology of Central Siberia, which organizes competitions in geology, and prepares Krasnoyarsk children for other competitions. Hundreds of boys and girls have already taken part in this project. The Company

hopes that many of them will become geologists and build future careers at Polyus or in other mining companies.

Following an invitation from Krasnoyarsk Governor Alexander Uss, Polyus has become a partner in the soon-to-be-built scientific and educational center of the Krasnoyarsk Territory. This is a new federal-scale project that is designed to combine science, business, and education, with a view to facilitating the accelerated development and implementation of 'fourth industrial revolution technologies' in the real economic sector. The project coordinator is a long-term partner of Polyus – the Siberian Federal University.

LESSONS LEARNED

Education is not just the responsibility of schools or universities. Polyus acknowledges that it must develop comprehensive programs to support science, business and education.

Education improves the quality of life as well;

Polyus acknowledges that and develops comprehensive programs to support science and education.

CASE STUDY

INFRASTRUCTURE



Company financed a project to install lighting equipment on the runway of the airport in the Severo-Yeniseisky settlement. After the installation the airport will fully comply with federal aviation safety standards and will be suitable for year-round operation, which will be used by the workers of the Company as well as local people, and will increase the number of flights available in the region. The project is an example of a public-private partnership, where Polyus is working with the 'Airports of Krasnoyarsya' federal enterprise.

LESSONS LEARNED

We are a trusted partner to local administrations, and we join efforts to help the communities grow.

IRKUTSK REGION

There has been gold mining in the Irkutsk Region for more than 160 years. The Verninskoye and Alluvials fields are the main business units, and drive the economic prosperity and social development of the region. In addition, projects such as Sukhoi Log, which is one of the most unique and largest reserves of gold ores in the world, was recently extensively explored by the Company.

Polyus assets have been operating in the region for over a century. Hence, the Company has wide experience and knowledge of local communities' needs. Polyus endeavors to select the most beneficial and urgent social projects in order to address the main issues being faced in the Irkutsk Region.

CASE STUDY

TRANSPORT

Polyus, together with both federal and regional administrations, is working to upgrade the transport infrastructure of the Bodaibo Region. The amount of funds allotted for rebuilding local transport infrastructure is increasing, and over 300 km of regional roads are scheduled to be rebuilt in Irkutsk Region. The present quality of the local roads does not meet international standards; indeed, they can hardly connect the settlements in the region. The involvement of Polyus has enabled the construction of an airport in Bodaibo to be brought forward, and it is now set to be completed in 2024. Over \$60.3 million will be earmarked from the federal budget for the construction of the airport building and runway strip, which will be at the expense of extrabudgetary funds. This new airport infrastructure will accommodate modern aircraft and expand the number and variety of flights, which in turn will help reduce prices – a key concern for the residents of this northern region.

LESSONS LEARNED

By building modern, sustainable infrastructure, Polyus contributes to the social and economic growth of the local communities. We create opportunities for a better living to the benefit of people.

CASE STUDY

HEALTHCARE

As part of a social and economic partnership agreement, Polyus purchased personal protective equipment and medical equipment, and carried out major repairs at a medical and diagnostic facility in the district hospital of Bodaibo, investing \$530,000. In addition, we gave \$125,000 to the city's Ivano-Matreninskaya Children's Clinical Hospital to fund repairs to its neonatal surgery department.



LESSONS LEARNED

Beyond any global healthcare crisis situations, Polyus will always strive to assist local hospitals with all their needs.



LOCAL COMMUNITIES CONTINUED

CASE STUDY

ART

In order to support culture and arts events in Irkutsk, the 'Territory.Irkutsk' festival was planned to be held in September 2020. However, it had to be postponed to 2021 to prevent the spread of COVID-19. This was a joint project between Polyus, the International School of Contemporary Art, and the Moscow Museum of Modern Art. In addition, Polyus will be supporting an extensive list of cultural events in the next few years, as soon as the COVID-19 pandemic ends.



LESSONS LEARNED

We support cultural institutions to promote education practices and inspired innovations.

CASE STUDY

EDUCATION

Polyus allocated \$118,000 to fund a major heating system renovation and to purchase sports equipment, learning kits, textbooks, and visual materials for the Bodaibo Mining College. In addition, \$50,000 was earmarked to create an information and educational environment called 'Growth Point', a digital and humanitarian initiative based at School No. 1 in Bodaibo.



LESSONS LEARNED

We create safe and comfortable conditions in schools and support the education of the younger generation.



CASE STUDY

SPORT

In 2020, Polyus built a sports complex with a swimming pool in Nizhneudinsk. The Company also paid around \$429,000 to the Bodaibinsky District state administration to support the implementation of projects of municipal importance.



LESSONS LEARNED

We make sport available for all, as we believe it has a great potential to improve the well-being of people. We give women and men, girls and boys an opportunity to lead a healthy life and get more community involvement.

REPUBLIC OF SAKHA

The Republic of Sakha has been active in the gold mining sector for decades, and its golden history began with the Kuranakh gold mining business unit. Since Polyus operates in this region, the social wellbeing and economic growth of the republic are a key focus of the Company. In 2020, Polyus contributed \$150,000 to making regional improvements, including via art, science, and healthcare initiatives. The Company works closely with the regional administration in this regard.

CASE STUDY

HEALTHCARE

The healthcare of the regions where Polyus operates is one of the main social priorities of the Company. To cite just one example of our commitment, in 2020 we donated \$13,000 to Aldan Central District Hospital for the renovation of a building at the children's Nizhny Kuranakh polyclinic.

LESSONS LEARNED

Polyus proactively approaches to improving healthcare facilities, as we believe that our responsibility starts with helping people live safer and healthier lives.

ART

Veterans of the Second World War have always received attention from Polyus. Hence, the Company contributed \$26,000 to the regional public organization of veterans in the Republic of Sakha to make a film to honor and mark the 75th anniversary of victory in the Second World War.

LESSONS LEARNED

Polyus honored veterans for their courage and sacrifice and strives to promote culture and pass on knowledge to the younger generation.

CASE STUDY

EDUCATION

Polyus helped Aldan Polytechnic College purchase \$16,000-worth of equipment for its mineral processing laboratory. This will help residents of the region improve their knowledge and skills in this sector. The laboratory is managed by highly professional staff, who are assisted by an extensive laboratory network.



LESSONS LEARNED

We support people to develop professional knowledge and skills in the gold mining industry and welcome them aboard.

LOCAL COMMUNITIES CONTINUED

MAGADAN REGION

The Natalka gold mine was discovered in 1942 and was acquired by Polyus in 2008. The mine reached full operational capacity in 2018 and has become one of the leading business units of the Company.

Polyus implements social and economic projects in the Magadan Region and is progressively upgrading local infrastructure as the Company's activities develop, as part of its cooperation with the Government of Magadan Region.

In 2020, Polyus invested \$1.6 million in projects in the region. During the year, and despite the COVID-19 pandemic, we continued our efforts in the areas of science, sport, charity, healthcare, and, most importantly, infrastructure. The infrastructure projects were executed in partnership with the Magadan Government and a city planning consultancy.

CASE STUDY

HEALTHCARE

In 2020, Polyus spent \$330,000 on investment projects and healthcare facilities in the Magadan Region. In addition, in order to improve treatment for people with COVID-19, Polyus contributed \$135,000 to install new flooring and purchase additional beds at the Tenkinskaya District Hospital. The Company also planned and conducted repairs on a computed tomography room (\$142,000 investment). The new ventilators, furniture for the hospital and the renovation of stairwells in the ambulance department (\$53,000 investment) were also funded by Polyus.

The above investments were expensive, but they were a vital part of combating the COVID-19 pandemic. Polyus also purchased 15 new ventilators for a children's regional hospital, regional hospitals in the Tenkinskaya and Olsk districts, and hospitals in Magadan (\$482,000 investment) as well as a computed tomography system worth \$215,000 for the Tenkinskaya District Hospital.



LESSONS LEARNED

As the COVID-19 crisis is far from over Polyus proceed to keep COVID-related healthcare projects under consideration.

CASE STUDY

DEVELOPMENT OF INFRASTRUCTURE

In 2020 Polyus not only met its social responsibility obligations, but also paid attention to the daily infrastructure needs of citizens, including by renovating roads and housing (\$326,000 investment). For example, the Company carried out a major renovation of House No. 13 on Mira Street in the village of Ust-Omchug (roof, facade, entrances, and a fence for a playground). The refurbishment of the roof of an educational institution was included in this project. Some funds were earmarked for an overhaul of the roofs of the 22-housing stock.



LESSONS LEARNED

The well-being and safety of local residents is always a priority for Polyus.

In 2020, Polyus took the lead on the program 'Resettlement of Citizens from Dilapidated and Emergency Housing Stock in Omchak Village' (\$140,000 investment). Within this project, large families were relocated to apartments in the village of Uptar. Payments were made to the owners of the housing stock, in accordance with established tariffs. Furthermore, renovation work was performed on five municipal apartments located in the Ust-Omchug settlement, to which further families from the Omchak settlement were relocated.

LESSONS LEARNED

We broaden its social support programs by overhauling local residences and apartments.

CASE STUDY**ART**

Polyus contributed \$40,000 toward the creation of an Alaska-Siberia Memorial. The opening of the memorial, which is dedicated to military unity and courage, was timed to coincide with the celebration of the 75th anniversary of victory in the Second World War. This initiative once again demonstrated the Company's respect for the sacrifices made during the Second World War.

LESSONS LEARNED

Paying tribute, Polyus diversify its projects regarding veterans and victims of the Second World War.

CASE STUDY**EDUCATION**

The Company sponsored a Polyus-branded classroom for video conferencing at a school in Ust-Omchug, as part of the federal project 'Modern School' (\$21,000 investment). This included refurbishing the classroom in the corporate style of the Company and installing new technical equipment and furniture.

LESSONS LEARNED

We believe that modern technical equipment can improve the quality of education through greater availability of information and students' engagement.

LOCAL COMMUNITIES CONTINUED

TAXES

GRI 207-1

Polyus is a responsible taxpayer that strictly complies with Russian tax legislation.

A separate legal entity within the Polyus group (the Multi-functional Center (MFC) is responsible for tax accounting for most entities within Polyus, including timely preparation and filing of tax returns. This ensures a unified approach to taxation and tax methodology within Polyus.

The Polyus Tax Department, which is an integral part of Polyus' Finance and Strategy Division, develops tax policies for key Polyus entities. The Polyus Tax Department works closely with the MFC to ensure that all tax policies are properly implemented.

Polyus is one of the largest taxpayers in regions of its operations. By making all applicable tax payments to local authorities we substantially contribute to the sustainable socio-economic development of the regions of operation.

GRI 207-2 · GRI 207-3

The Director of the Tax Department is responsible for tax risk management and governance and ensures that there are appropriate processes and systems in place for tax risk control.

Our appetite for tax risk is low and we always structure our affairs based on sound commercial principles and in accordance with Russian tax legislation. We seek external advice if there is complexity or uncertainty in relation to a tax risk. Our Company conducts periodic trainings for employees in the field of taxes in order to communicate to them current trends and changes.

The Company's tax activities are regularly reviewed by an internal and external auditor. Polyus' Financial Statement is also subject to the assurance process by an external auditor. Our Company is a responsible taxpayer and there have been no reports from our stakeholders

regarding our Company's unethical behavior in relation to tax.

Polyus regularly monitors tax changes and updates its operations as necessary. Polyus actively cooperates with the tax committees of the Russian Union of Industrialists and Entrepreneurs and the national Chamber of Commerce and Industry. In 2020 as part of our Company's cooperation with these organizations the initiative to deduct expenses on COVID-19 from taxation was successfully implemented. While preparing reporting on sustainability, the Company contributes material topics to the discussion of stakeholders including tax issues.

Polyus considers tax risks to be of utmost importance and, where they exist, discloses them in its financial statements. Tax risks are included in the top 20 corporate risks of the Company. For more information on how we identify and monitor these risks see our Annual Review 2020, page 44.

Polyus actively and regularly communicates with the tax authorities, in a spirit of co-operative compliance. We seek to resolve any disputed matters through pro-active and transparent discussion and negotiation with the tax authorities.

(For more information see the Financial Statements, Annual Review, page 64).

GRI 207-4

TAXES PAID¹, \$ MILLION, 2017-2020

Indicator	Russian Federation
Name of legal entity (resident)	PJSC Polyus
Main activities of the Company	Mining
Number of employees (with an indication of the approach to the calculation of this indicator)	20,729 ²
Revenue from sales to third parties	4,998
Revenue from intra-group transactions with other tax jurisdictions	–
Profit / loss before tax	2,062
Tangible assets other than cash and cash equivalents	5,336
Income tax paid	415
Income tax accrued on profit/loss	417
Total employee remuneration	599
Taxes withheld and paid on behalf of employees	224
Taxes collected from customers	0
Industry-related taxes and other taxes or payments to governments	249
<i>Tax on mining</i>	229
<i>Property tax</i>	18
<i>Other taxes</i>	2
Significant uncertain tax positions	0

¹ 'Polyus finance' is excluded due to reporting boundaries. For a reconciliation of the difference between corporate income tax accrued on profit/loss to the tax due if the statutory tax rate is applied to profit/loss before tax, please see Note 11 to the consolidated financial statements for the year ended December 31, 2020.

² Data on the number of employees represented by the end of the year.

CREATING ECONOMIC VALUE FOR STAKEHOLDERS

Through our operations we create direct economic value for our key stakeholders: shareholders, investors, employees, suppliers and contractors, government authorities, and local communities. This generated value

demonstrates the wealth that we create through our activities and much of it is distributed among the stakeholders. Retained economic value is reinvested into development of the business.

In 2020, the economic value generated by Polyus rose by approximately 24%, from \$4,054 million in 2019 to \$5,021 million in 2020.

GRI 201-1

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED BY POLYUS, \$ MILLION, 2017–2020

Item	Stakeholder	2020	2019	2018	2017
Direct economic value generated		5,021	4,054	2,941	2,763
Revenue from gold sales	Wide range of stakeholders	4,956	3,965	2,876	2,684
Revenue from other sales		42	40	39	37
Revenue from financial investments		22	48	26	28
Revenue from sales of assets		1	1	–	14
Economic value distributed		(2,956)	(2,956)	(2,699)	(1,999)
Operating expenses	Suppliers and contractors	(526)	(619)	(383)	(450)
Wages and other payments to employees	Employees	(617)	(525)	(433)	(407)
Payments to providers of capital	Shareholders and creditors	(1,104)	(940)	(845)	(903)
<i>Payments to shareholders</i>		(871)	(641)	(578)	(586)
<i>Payments to creditors</i>		(233)	(299)	(267)	(317)
Payments to the state	Government	(674)	(572)	(306)	(401)
<i>Including income tax expense</i>		(417)	(360)	(127)	(242)
Community investments	Local communities	(35)	(43)	(32)	(41)
Economic value retained		2,065	1,355	942	561

LOCAL COMMUNITIES CONTINUED

WORKING WITH SUPPLIERS

GRI 102-9 · GRI 102-29 · GRI 204-1

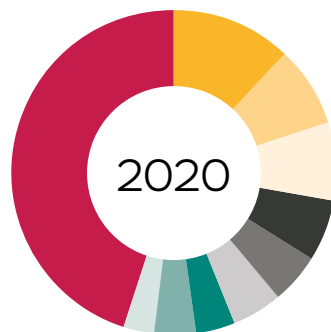
In 2020, Polyus worked actively to implement its new approved structure for interacting with counterparties in business units and the head office. To increase transparency, we created a functional division of personnel groups in order to be able to manage interactions with suppliers more effectively. For example, we identified personnel functions for inventory management, procurement, and working with Polyus Logistics. During the year, a division was also launched at the MFC to handle the documentation to support deliveries.

The Company continued to work on automating purchases in 2020, by implementing the SAP Ariba system, with which we automated all purchases by the Company. However, we will continue to publish purchases on the Company's portal, as well as to use the RTS-Tender platform to inform suppliers about procurement processes. Purchases themselves are carried out via the SAP Ariba system, and we strive to maximize their volume. In 2020, we held round-table meetings for our suppliers where this new platform was discussed in detail. The MFC also runs a separate support group for the platform, where employees can put questions to suppliers. In 2020, around 5,000 requests were processed. Next year, we plan to continue to digitalize procurement activities and to introduce chatbots and robots, in addition to SAP Ariba.

COVID-19 did impact the procurement activities of Polyus during 2020. We carried out accelerated purchases of necessary protective equipment and provided medical assistance in the regions where we operate, equipping local hospitals with ventilators and testing equipment. At the start of the pandemic Polyus was able to prepare financially and increase its stock of our production materials, and for this reason there were no negative impacts of COVID-19 on production. Stocks remained at the usual levels, which catered for all production needs.

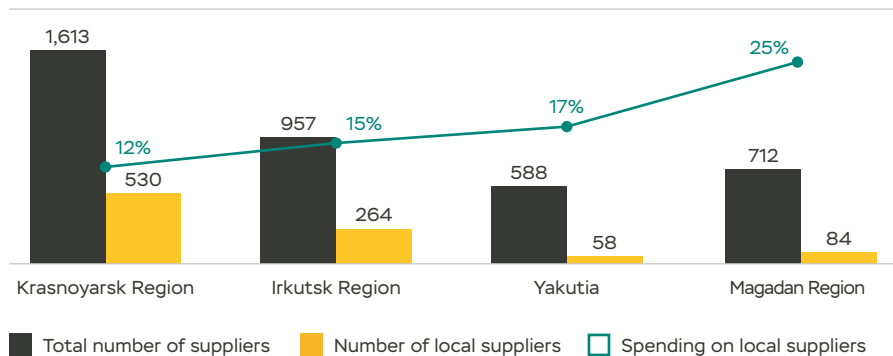
Our operations indirectly stimulate regional economic development through our work with local producers, from whom we buy goods and services. We prioritize local suppliers whenever possible. In 2020, 34% of Polyus' procurement was sourced from the regions where we operate. The share of imported goods was less than 1% by volume.

DISTRIBUTION OF SUPPLIERS BY REGION, 2020, %



Khabarovsk Territory	12%
Samara Region	8%
Primorsky Territory	8%
Altai Territory	6%
Republic of Bashkortostan	5%
Omsk Region	5%
Nizhny Novgorod Region	4%
Yaroslavl Region	4%
Republic of Tatarstan	3%
Other	45%

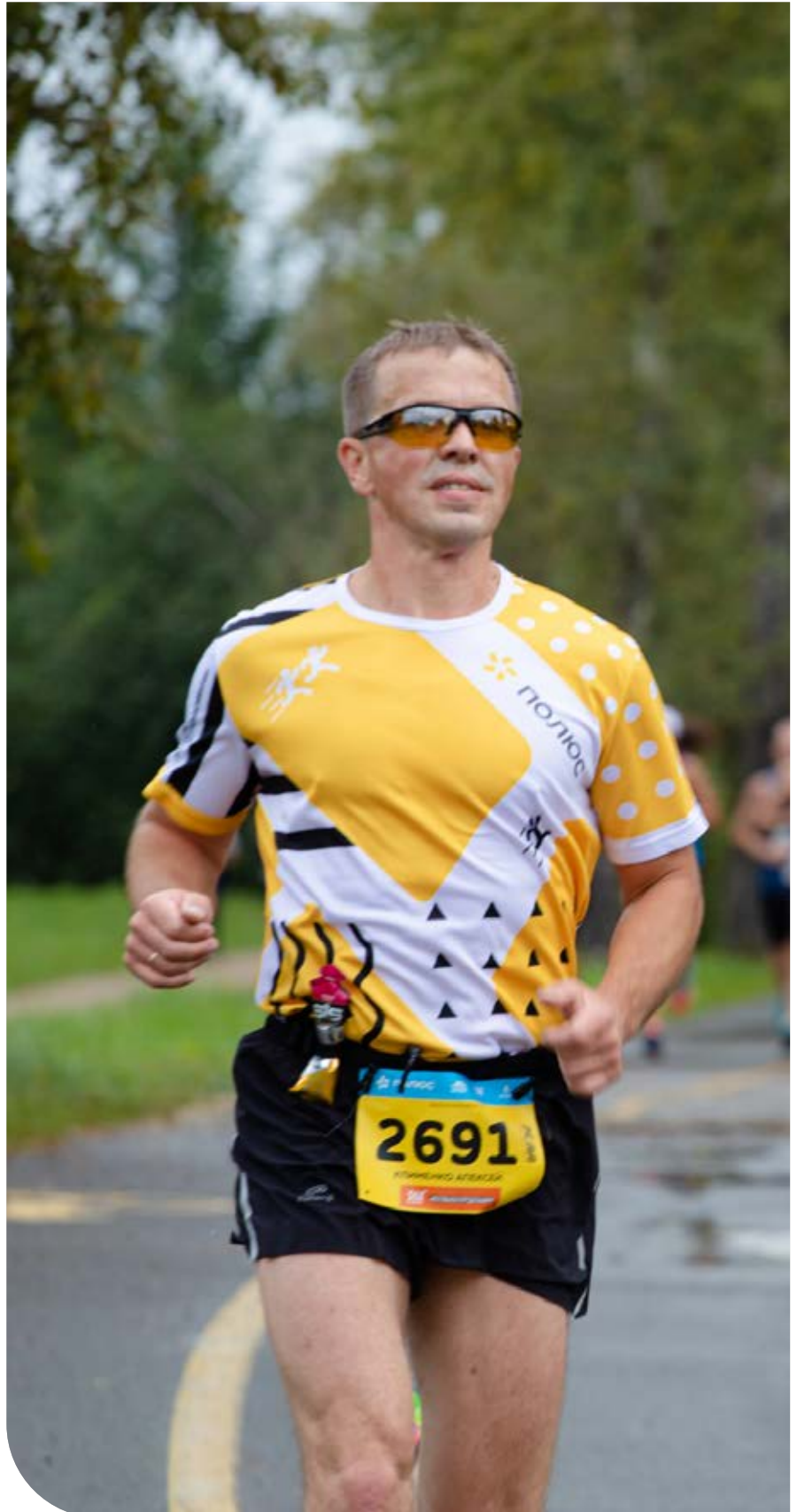
LOCAL PROCUREMENT BY REGION, 2020



PLANS FOR 2021 AND THE MEDIUM TERM

Polyus has identified the following operational tasks for 2021 and the medium term:

- providing healthcare-related assistance, especially COVID-19 prevention measures;
- developing a framework for the Company's charity activities;
- continuing to hold the 'Territory. Irkutsk' festival;
- ongoing support for the 'Ysyakh' indigenous Yakutia people holiday celebration in the Republic of Sakha;
- continued support for large-scale federal projects; and
- developing new social projects and approaches to charity and sponsorship activities.





ADDITIONAL INFORMATION

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- 158 Contact information**



ABOUT THIS SUSTAINABILITY REPORT

APPROACH TO REPORTING

GRI 102-50

The Polyus 2020 Sustainability Report ('the Report') covers the key results of Polyus' sustainability performance from January 1, 2020 to December 31, 2020, as well as the Company's plans for 2021 and the medium term.

GRI 102-51 · GRI 102-52 · GRI 102-54

Polyus has been preparing annual Sustainability Reports since 2012. Its last report, published in 2020, covered the results for 2019. The Company's reports can be found on the Polyus website: <http://polyus.com/investors/results-and-reports/>. Additional information about sustainability performance can be seen here: <https://sustainability.polyus.com/en/>. The 2020 Sustainability Report was prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Standards ('GRI Standards'). As with previous versions, this Report has been prepared according to the Comprehensive option of these Standards. Also, in 2020 Polyus for the first time disclosed the information on the new GRI Standard 207: Tax and GRI Standard 306: Waste. When preparing the Report, the Company continued to use where applicable, the requirements of the GRI Mining and Metals Sector Supplement. In 2021, we will consider the appropriateness of the disclosure of the GRI Mining and Metals Sector Supplement due to its obsolescence and we will follow the recommendations of GRI and best ESG-reporting practices in this regard.

Moreover, throughout the Report we have disclosed: the relevance of Polyus' sustainability-related activities to attaining the United Nations Sustainable Development Goals (UN SDGs); our compliance with the International Council on Mining and Metals (ICMM) sustainable development framework, including the ICMM's ten sustainability principles and eight position statements; our commitment to the United Nations Global Compact Principles; and our approach to climate change issues according to TCFD and CDP (please, see Appendix 2. TCFD-aligned disclosure).

GRI 102-32

Polyus' Group Head of Sustainability coordinates the Report preparation process with Sustainability Working Group active involvement. The Board of Directors reviews the Report and it is responsible for its final approval.

REPORT BOUNDARIES

The sustainability information included in this Report covers the performance of Polyus' operational business units and support services.

GRI 102-45

ASSETS INCLUDED IN THE REPORT BOUNDARIES

Name of subsidiary	Referenced in the Report as
Business units	
JSC Polyus Krasnoyarsk (Krasnoyarsk BU)	Olimpiada and Blagodatnoye
JSC Polyus Verninskoye (Irkutsk ore BU)	Verninskoye
JSC Polyus Aldan (Yakutia Kuranakh BU)	Kuranakh
JSC Polyus Magadan (Magadan BU)	Natalka
Gold Mining Company Lenzoloto (Irkutsk alluvial BU)	Alluvials
Support services	
JSC Polyus Logistics	Logistics service
LLC Polyus Stroy	Construction service
LLC Polyus Project	Engineering service
PSF Polyus Schit LLC	Security service
Polyus Energy, comprising JSC Vitimenergo, JSC Vitimenergosbyt, and JSC Mamakanskaya Hydroelectric Power Plant	Energy service
Multi-functional center	Multi-functional center (MFC)

Information about the Company's labor performance also covers PJSC Polyus (the 'Holding Company') and MC Polyus LLC (the 'Managing Company'). Data on the MFC has been included only when calculating indicators of labor performance and industrial safety. Charity and sponsorship data are not aggregated in Support services.

Data on Polyus Finance Plc is included only in calculations relating to direct economic value generated and distributed, in order to preserve consistency with the information stated in financial reports. The activities and results of this entity are not included in tax and other data disclosed in the Report.

In other cases, where the reporting scope for specific indicators differs from that described above, information about enterprises included in the scope is specified in the related text.

IDENTIFICATION OF MATERIAL TOPICS

GRI 102-46

As part of preparing the Sustainability Report, we annually carry out a materiality assessment of the topics that are relevant to our internal and external stakeholders, in accordance with GRI Standards. The assessment consists

of three main stages: analysis of open-source information, collection of stakeholder feedback, and compilation of a list of material topics. When assessing whether a topic is material, two main criteria are used: the significance of economic, environmental, or social impacts; and the influence on stakeholder assessments and decisions.

APPROACH TO IDENTIFYING MATERIAL TOPICS

1 ANALYSIS OF OPEN SOURCE INFORMATION

- Analysis of industry trends and risks
- Analysis of publicly available information about the Company
- Benchmarking of material topics disclosed by peers
- Aligning the preliminary list of material topics with the sustainable development goals identified as being relevant for the Company

- Preliminary list of material topics

2 COLLECTION OF STAKEHOLDER FEEDBACK

- Interviews with the representatives of functional units involved in managing sustainability issues
- Analysis of internal stakeholder survey results
- Analysis of requests from investors and ESG analysts

- Updated list of material topics

3 COMPILATION OF A LIST OF MATERIAL TOPICS

- Approval by the Sustainability Working Group of the list of material topics
- Presentation of the list of material topics to the Board of Directors

- Agreed list of material topics to be included in the Report

Following the 2020 materiality assessment, a list of 23 topics was drawn up. GRI topics were grouped into six comprehensive material topics around which we structured our Report.

ABOUT THIS SUSTAINABILITY REPORT CONTINUED

GRI 102-47

MATERIAL TOPICS COVERED IN THE REPORT AND THEIR SIGNIFICANCE AND SUBSTANTIVE INFLUENCE ON THE ASSESSMENTS AND DECISIONS OF STAKEHOLDERS

Material topics	GRI Topic	Report page	Within the Group	Outside the Group
Ethics and Human Rights	• Economic performance	131	✓	–
	• Anti-corruption	48	✓	✓
	• Diversity and equal opportunity	46	✓	✓
	• Public policy	47	–	✓
	• Response to COVID-19	49	✓	✓
Human Capital	• Market presence	56	✓	✓
	• Employment	58	✓	✓
	• Training and education	65	✓	–
	• Freedom of association and collective bargaining	69	✓	✓
	• Socioeconomic compliance	64	✓	✓
Health and Safety	• Occupational health and safety	72	✓	✓
	• Emergency preparedness	87	✓	✓
	• Response to COVID-19	36	✓	✓
Environmental Stewardship	• Water and effluents	92	✓	✓
	• Tailings	99	✓	✓
	• Biodiversity	101	–	✓
	• Waste	96	✓	✓
	• Environmental compliance	90	✓	✓
	• Safety of tailings	99	✓	✓
	• Response to COVID-19	36	✓	✓
Energy and Climate Change	• Energy	109	✓	✓
	• Emissions	107	✓	✓
Local Communities	• Indirect economic impacts	120	✓	✓
	• Procurement practice	132	✓	✓
	• Local communities	122	✓	✓
	• Tax	130	✓	✓
	• Response to COVID-19	119	✓	✓

Apart from the GRI topics listed above, information on three additional topics were disclosed in the Report: responsible management of tailing dumps, countering COVID-19 and emergency preparedness.

DATA PREPARATION TECHNIQUES

GRI 102-46

The sustainability performance information for the Report was collected through the Company's corporate data reporting system. Under this system, sustainability data is initially collected and reviewed by relevant specialists at business units and support services. Information about material sustainability issues is regularly consolidated and verified at the Managing Company level.

GRI indicators are presented in accepted international units of measurement and calculated in accordance with the GRI Standards or the Company's internal requirements. The financial performance indicators reported were converted into US dollars using the yearly weighted average exchange rate for 2020.

The Company calculates direct greenhouse gas emission indicators based on the recommendations of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the 'GHG Protocol'), as well as Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories. For calculating indirect greenhouse gas emissions, we use Carbon Footprint grid electricity emission factors, and based on International Energy Agency (IEA) factors for heat energy. The ICMM Environment and Climate Change work program stipulates respective requirements related to measuring, reporting, and verifying net greenhouse gas emissions, and the Company makes every effort to meet these requirements.

In terms of the Company's employment structure, male employees are mostly engaged in labor-intensive production, due to the specifics of Russian labor law, which prohibits females from working in certain professions. Female employees work primarily in support functions and their number is relatively low. Due to this imbalance, it would be unrepresentative to show certain statistical data required under the GRI Standards (e.g. health and safety statistics) by gender, and such information is not collected by the Polyus corporate reporting system.

RESTATEMENTS AND SIGNIFICANT CHANGES

GRI 102-48 · GRI 102-49

In 2020, no significant changes were made to the list of material topics and their boundaries, except for those listed above.

Due to changes to the methods of direct and indirect greenhouse gas emissions measurement, the corresponding indicators for 2018 and 2019 were recalculated and differ from those stated in the 2018 and 2019 Sustainability Reports¹.

In 2020, Polyus has for the first time disclosed the amount of tax it has paid, calculated according to the GRI Tax Standard, as well as information on the Company's climate change mitigation measures in accordance with the provisions of the TCFD and CDP.

ASSURANCE

GRI 102-56

The Company appointed AO Deloitte & Touche CIS to provide independent assurance of the 2020 Sustainability Report. This is intended to ensure the quality, accuracy, and completeness of the reported data and to facilitate improvements to the overall sustainability reporting process.

The Report was subject in 2020 to a limited assurance engagement under the International Standard on Assurance Engagements: ISAE 3000 (Revised). More detailed information on the boundaries and the subject of assurance can be found in the 'Independent assurance statement' and 'GRI content index' sections.

¹ For more information, please see the 'Climate change and GHG emissions' and 'Data preparation techniques' sections.

TCFD¹-ALIGNED DISCLOSURE

Recommendations	Current practice	Report section	Alignment with other frameworks	
			GRI	CDP
<p>Governance</p> <p><i>Company's governance around climate-related risks and opportunities</i></p>	<p>The Company intends to increase the attention it gives to climate-related issues. To suit the action to the word Polyus has already issued a position statement on climate change.</p> <p>Currently, the Operations Committee of the Board oversees climate change issues, as part of the Company's overall Health, Safety, Environment and Sustainability agenda. Ultimate responsibility for sustainability and climate-related issues lies with the Board of Directors, which defines the Company's strategic vision and key areas of focus relating to sustainability. The COO oversees and directs work on climate-related issues (energy, environment) within the operational agenda at the Group level.</p> <p>The Company has a permanent working group, led by the Group Head of Sustainability, whose responsibility is to develop goals and objectives in the field of decarbonization and represent this on the committees.</p>	<p>Sustainability risk management</p> <p>Sustainability governance</p> <p>Energy and climate change</p> <p>Annual Review</p>	<p>102-18, 102-19, 102-20, 102-26, 102-27, 102-29, 102-31, 102-32</p>	<p>C1</p> <p>(Data is available on the website*)</p>
<p>Strategy</p> <p><i>Actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy, and financial planning where such information is material</i></p>	<p>In the next reporting period, to support its recently published position on climate change Polyus plans to outline its first-ever climate strategy to consolidate all efforts to combat climate change.</p> <ol style="list-style-type: none"> Climate Change mitigation: cutting Scope 1 and 2 emissions through Improving energy efficiency and increasing the share of low-carbon energy in the energy mix (due to a decrease in the share of coal and an increase in the share of renewable energy) Enhancing resilience to the impacts of climate change: using qualitative and quantitative risk-management tools to identify and assess physical climate and transition climate-related risks Taking advantage of opportunities resulting from our adaptation to climate change: enhancing operational efficiency through the Company's climate change strategy Commitment to transparency and disclosure: continuously working to improve the quality and frequency of climate-related disclosure Cooperation to tackle climate change: fostering collaboration across sectors and geographic boundaries to enhance global climate action. <p>The strategy will include a detailed risk-management system, which would allow identifying, assessing and mitigating risks, associated with climate change.</p> <p>In 2020, the Company carried out its first complex climate-related risk assessment at its business unit in the Republic of Sakha (Yakutia). The Company plans to carry out a more profound analysis of climate change scenarios and climate change risks at our business units.</p>	<p>Contribution to SDGs</p> <p>Climate change and GHG emissions</p> <p>Annual Review</p>	<p>102-15, 201-2</p>	<p>C3 (partially)</p>

¹ Task Force on Climate-related Financial Disclosures: www.fsb-tcf.org.

Recommendations	Current practice	Report section	Alignment with other frameworks	
			GRI	CDP
<p>Risk management</p> <p><i>How the Company identifies, assesses, and manages climate-related risks</i></p>	<p>Currently, the substantive impact of environmental, social, and economic risks on Polyus' business is addressed within the corporate risk assessment system and risk map.</p> <p>In 2020, Polyus for the first time analyzed the possible effects of climate change on the Company's operations. At the Kuranakh mine located in north-eastern Siberia, in the Republic of Sakha, we performed a qualitative and quantitative scenario analysis, according to TCFD recommendations. We analyzed scenarios based on temperature increases of 1.5, 2 and 4.5 degrees Celsius temperature change at the end of the century (RCPs 2.6, 4.5, and 8.5 respectively. We are committed to further expanding the TCFD analysis in future reporting periods.</p> <p>The Company has already identified several climate-related risks and opportunities that could have a potential financial or strategic impact on its business (e.g. risks related to regulation and carbon pricing, costs of transition to new technologies).</p>	<p>Climate change and GHG emissions</p> <p>Annual Review</p>	102-15, 201-2	C2
<p>Metrics and targets</p> <p><i>Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i></p>	<p>The Company has been disclosing information on Scope 1 and 2 greenhouse gas (GHG) emissions for over five years (since 2015).</p> <p>We keep our methodology for calculating GHG emissions up to date to make sure it meets the industry benchmark.</p> <p>Polyus verifies (via ISAE 3000) the following aspects of its reporting on an annual basis: total specific air emissions; total energy consumed, produced and purchased.</p> <p>In 2021, the Company plans to develop a methodology for calculating Scope 3, as well as a comprehensive Climate Strategy including carbonation metrics and targets.</p>	<p>Environmental Stewardship</p> <p>Water management and action</p> <p>Energy and climate change</p>	102-30, 201-2, 302-1, 302-3, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4	C4, C5, C6, C7, C8, C9, C10

* CDP – (formerly the Carbon Disclosure Project) – is a non-profit international organization that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Only registered users have access to the data. Data can only be disclosed for the previous reporting year. 2020 evaluation results will be presented in the 2021 Reporting.

GRI CONTENT INDEX

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 102 GENERAL DISCLOSURES				
1. ORGANIZATIONAL PROFILE				
GRI 102-1	Name of the organization	About Polyus, p. 8		
GRI 102-2	Activities, brands, products, and services	Annual Review, p. 21		
GRI 102-3	Location of headquarters		The Group is headquartered in Moscow, Russia	
GRI 102-4	Location of operations	Polyus at a glance, p. 10		
GRI 102-5	Ownership and legal form	Annual Review, p. 62		
GRI 102-6	Markets served	Where we operate, p. 10		
GRI 102-7	Scale of the organization	Annual Review, p. 3		
GRI 102-8	Information on employees and other workers	Workforce composition and engagement, p. 58	<p>Employees by employment contract: Permanent – 18,487 Temporary – 2,134</p> <p>Employees by employment type: Full-time – 20,520 Part-time – 91</p> <p>All the principal Company activities are performed by employed workers. The proportion of workers who are not employees is insignificant.</p>	
GRI 102-9	Supply chain	Annual Review, p. 15 Local communities, p. 132		
GRI 102-10	Significant changes to the organisation and its supply chain		In the reporting period no significant changes were made to supply chain	
GRI 102-11	Precautionary Principle or approach		In the reporting period the Group did not apply the precautionary approach to identify, monitor, and manage risks	
GRI 102-12	External initiatives	Contribution to the UN Sustainable Development Goals, p. 27 ICMM membership, p. 30 Commitment to the UN Global Compact Principles, p. 26	The initiatives presented in the mentioned sections are voluntary.	
GRI 102-13	Membership of associations	ICMM membership, p. 30 Our contribution to Sustainable Development Goals, p. 28 Commitment to the UN Global Compact Principles, p. 26	<p>Polyus is also a member of the following professional bodies:</p> <ul style="list-style-type: none"> · Russian Union of Industrialists and Entrepreneurs (RSPP) · Gornoye Delo (national association) · Russian Union of Gold Producers · National Association for Subsoil Examination 	
2. STRATEGY				
GRI 102-14	Statement from senior decision-maker	Interview with the Chair, p. 4 Interview with the CEO, p. 6		
GRI 102-15	Key impacts, risks, and opportunities	Interview with the Chair, p. 4 Interview with the CEO, p. 6 Sustainability governance, p. 24 Sustainability risk management, p. 21		

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
3. ETHICS AND INTEGRITY				
GRI 102-16	Values, principles, standards, and norms of behavior	Polyus at a glance, p. 10 Human Rights Policy, p. 47 Anti-corruption compliance, p. 48		
GRI 102-17	Mechanisms for advice and concerns about ethics	Case study: Polyus' security hotline, p. 51		
4. GOVERNANCE				
GRI 102-18	Governance structure	Sustainability governance, p. 24		
GRI 102-19	Delegating authority	Sustainability governance, p. 24		
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability governance, p. 24		
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder engagement, p. 44	The Group's various functions collect feedback from the stakeholder groups they interact with. This feedback is consolidated and communicated to the highest governance bodies on a regular basis, when functions present the results of their work for the period.	
GRI 102-22	Composition of the highest governance body and its committees	Annual Review, p. 53		
GRI 102-23	Chair of the highest governance body	Annual Review, p. 53		
GRI 102-24	Nominating and selecting the highest governance body	Annual Review, p. 53		
GRI 102-25	Conflicts of interest	Anticorruption compliance, p. 49		
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Sustainability governance, p. 24		
GRI 102-27	Collective knowledge of highest governance body	Sustainability governance, p. 24		
GRI 102-28	Evaluating the highest governance body's performance	Annual Review, p. 53		
GRI 102-29	Identifying and managing economic, environmental, and social impacts	How we manage sustainability, p. 20 Working with suppliers, p. 132		
GRI 102-30	Effectiveness of risk management processes	Annual Review, p. 20		
GRI 102-31	Review of economic, environmental, and social topics	Sustainability governance, p. 24		
GRI 102-32	Highest governance body's role in sustainability reporting		Sustainability report is approved by the Board of Directors	

GRI CONTENT INDEX CONTINUED

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 102-33	Communicating critical concerns	Annual Review, p. 53		
GRI 102-34	Nature and total number of critical concerns		Sustainability issues are communicated to the Board on a planned quarterly basis. In 2019 no critical sustainability concerns was raised.	
GRI 102-35	Remuneration policies	Annual Review, p. 60		
GRI 102-36	Process for determining remuneration	Annual Review, p. 60	Remuneration of the Board of Directors is defined in accordance with the Directors' Remuneration Policy. The Annual General Meeting of Shareholders approves it. Other interested parties are not involved in determining the amount of remuneration.	
GRI 102-37	Stakeholders' involvement in remuneration	Annual Review, p. 54		
GRI 102-38	Annual total compensation ratio	Annual Review, p. 60		
GRI 102-39	Percentage increase in annual total compensation ratio	Annual Review, p. 60	Information cannot be disclosed due to the reasons of protection of personal information.	
5. Stakeholder engagement				
GRI 102-40	List of stakeholder groups	Stakeholder engagement, p. 44		
GRI 102-41	Collective bargaining agreements		In 2020, 95.92% of employees are covered by collective bargaining agreements	
GRI 102-42	Identifying and selecting stakeholders	Stakeholder engagement, p. 44		
GRI 102-43	Approach to stakeholder engagement	Stakeholder engagement, p. 44 Local communities, p. 118		
GRI 102-44	Key topics and concerns raised	Stakeholder engagement, p. 44 Local communities, p. 118		
6. Reporting practice				
GRI 102-45	Entities included in the consolidated financial statements	About this Report, p. 136	The Reporting boundaries for indicator calculations in the section Environmental stewardship differ from those stated in the section About this Report and do not include Engineering service, Security service and Multi-functional center (MFC)	
GRI 102-46	Defining report content and topic Boundaries	About this Report, p. 136		
GRI 102-47	List of material topics	About this Report, p. 138		
GRI 102-48	Restatements of information	About this Report, p. 139		
GRI 102-49	Changes in reporting	About this Report, p. 139		
GRI 102-50	Reporting period	About this Report, p. 136		
GRI 102-51	Date of most recent report	About this Report, p. 136		
GRI 102-52	Reporting cycle	About this Report, p. 136		
GRI 102-53	Contact point for questions regarding the report	Appendix 3. GRI content index, p. 158		

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this Report, p. 136		
GRI 102-55	GRI content index	Appendix 4. Contact information, p. 142		
GRI 102-56	External assurance	About this Report, p. 139 Independent assurance statement, p. 154		
GRI 103 MANAGEMENT APPROACH				
GRI 103-1	Explanation of the material topic and its Boundary	About this Report, p. 136	The information on material topics primarily covers the Company's activities and impacts as information on impacts arising within supply chain is not systematically aggregated.	
GRI 103-2	The management approach and its components		The management approach is presented in the Report before the disclosure of data on each material topic.	
GRI 103-3	Evaluation of the management approach		Evaluation of management approaches is carried out in the framework of certification and supervisory audits of the respective management systems, as well as by corporate audits. Messages about these events are contained in the text of the Report.	
MATERIAL TOPICS				
GRI 200 ECONOMIC				
GRI 201 ECONOMIC PERFORMANCE				
GRI 201-1	Direct economic value generated and distributed	Transparency and disclosure, p. 50		
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate change and GHG emissions, p. 107	The main physical risks are air temperature changes, dangerous meteorological occasions, changes in the regime of atmospheric precipitation, world ocean level rise, melting of permafrost. The financial implications of the risks and opportunities, as well as the costs of actions taken to manage them, are currently in the process of assessment and evaluation and will be commented on in the future.	
GRI 201-3	Defined benefit plan obligations and other retirement plans		The Group fully complies with Russian laws by paying pension fund contributions. No corporate pension programs were introduced.	
GRI 201-4	Financial assistance received from government		No financial assistance was received from the government during the reporting period.	
GRI 202 MARKET PRESENCE				
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Incentivization, p. 63	The Group does not tolerate any form of discrimination, Hence all employees, regardless of their gender or other diversity factors, receive equal wages for the same scope, quantity, and quality of labor.	

GRI CONTENT INDEX CONTINUED

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 202-2	Proportion of senior management hired from the local community	Attracting talent, p. 60		
GRI 203 INDIRECT ECONOMIC IMPACTS				
GRI 203-1	Infrastructure investments and services supported	Local communities, p. 118	All Company sites strive to enhance the positive impact, and minimize any negative effect, that their activities may have on local communities. No significant cases of negative impact on local communities have arisen in the reporting period.	
GRI 203-2	Significant indirect economic impacts	Local communities, p. 118		
GRI 204 PROCUREMENT PRACTICES				
GRI 204-1	Proportion of spending on local suppliers	Local communities, p. 132	Local suppliers mean suppliers in the same region of Russia as the territory of the business units operation.	
GRI 205 ANTI-CORRUPTION				
GRI 205-1	Operations assessed for risks related to corruption	Anti-corruption compliance, p. 49	In 2020 the Company doesn't conduct risks assessment related to corruption	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Ethics and human rights, p. 50		
GRI 205-3	Confirmed incidents of corruption and actions taken	Ethics and human rights, p. 40	In 2020, no cases of confirmed incidents in which employees were dismissed or disciplined for corruption took place in the company. Meanwhile, there were several cases when contracts with counterparties were terminated or not renewed due to violations related to corruption or unethical business practices In the reporting year, few cases related to corruption were submitted in the company. There were no corruption-related lawsuits brought against the company or its employees	
GRI 207 TAX				
GRI 207-1	Approach to tax	Local communities, p. 130		
GRI 207-2	Tax governance, control, and risk management	Local communities, p. 130		
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Local communities, p. 130		
GRI 207-4	Country-by-country reporting	Local communities, p. 130		

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 300 ENVIRONMENTAL				
GRI 302 ENERGY				
GRI 302-1	Energy consumption within the organization	Energy management, p. 109	<p>Total fuel consumption within the organization from non-renewable sources in 2020 was – 15.3 thousand TJ;</p> <p>The Company consumes neither energy for cooling nor steam in its business activities;</p> <p>The Company sells neither cooling nor steam;</p> <p>Total heating sold – 355 TJ;</p> <p>Total electricity sold – 1,394 TJ;</p> <p>Conversion factors used: 1 cal = 4.184 J 1 kWh = 3600 kJ</p>	
GRI 302-2	Energy consumption outside of the organization			This data is not aggregated within the current reporting system
GRI 302-3	Energy intensity		<p>Energy intensity ratio: 0.34 TJ/kt ore processed</p> <p>The ratio denominator is one thousand tonnes of ore processed</p> <p>Data on primary energy sources consumed within the organization were used</p>	
GRI 302-4	Reduction of energy consumption	Energy management, p. 109	<p>Types of energy included in the reductions are electricity and heating</p> <p>The total amount of energy saved is 3691773 kWh</p> <p>The reduction is calculated compared to the previous reporting year</p> <p>The data are recorded in accordance with Russian legislation and the Company's internal approach</p>	
GRI 302-5	Reductions in energy requirements of products and services			Not applicable due to the nature of the product
GRI 303 WATER AND EFFLUENTS				
GRI 303-1	Interactions with water as a shared resource	Water Stewardship Report, p. 54 Water management and access, p. 92	Currently the company does not engage with suppliers or customers on their significant water-related impacts minimization.	
GRI 303-2	Management of water discharge-related impacts	Water Stewardship Report, p. 21 Water management and access, p. 92	Point a (i) is not applicable	

GRI CONTENT INDEX CONTINUED

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 303-3	Water withdrawal	Water Stewardship Report, p. 12 Water management and access, p. 92	Polyus does not operate or withdraw water in regions with water scarcity.	
GRI 303-4	Water discharge	Water management and access, p. 94	Polyus does not operate or withdraw water in regions with water scarcity. Freshwater discharge – 20,918.96 thousand m ³ . Other water – 0.00 thousand m ³ .	
GRI 303-5	Water consumption	Water Stewardship Report, p. 50 Water management and access, p. 93	Points b and c are not applicable as Polyus does not operate or withdraw water in regions with water scarcity.	
GRI 304 BIODIVERSITY				
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity management, p. 101	Polyus does not have operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity management, p. 101	The biodiversity in the areas of our business activities is primarily influenced by the landscape separation by industrial facilities. Industrial sites, roads and quarries with steep slopes exclude vegetation overgrowing and animal habitat. Dumps accumulate large amount of heat and thus increase daily temperature fluctuations affecting species composition and number of organisms in the area. There is also direct dusting impact caused by dumps formation and blasting works. A vegetation analysis however did not reveal its obvious inhibition, which indicates the neutral nature of dust deposits.	
GRI 304-3	Habitats protected or restored	Biodiversity management, p. 101 Sustainability blog	In 2021 Polyus plans to publish a brochure on habitat areas conservation and restoration methodologies used. In these activities Polyus is guided by ICMM methodologies.	
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity management, p. 101		
GRI 305 EMISSIONS				
GRI 305-1	Direct (Scope 1) GHG emissions	Climate change and GHG emissions, p. 107	Biogenic CO ₂ emissions are not generated at the Company's facilities.	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate change and GHG emissions, p. 107	No base year has yet been set in the GHG emissions calculation.	

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 305-3	Other indirect (Scope 3) GHG emissions		The data is not aggregated within the current reporting system.	
GRI 305-4	GHG emissions intensity	Climate change and GHG emissions, p. 107		
GRI 305-5	Reduction of GHG emissions	Climate change and GHG emissions, p. 107	<p>Gases included in the calculation: CO₂, CH₄, N₂O</p> <p>Scopes in which reductions compared to 2019 took place are Scope 1 (10%) and Scope 2 (30%)</p> <p>Due to the changes in calculation methodology, 2020 was set as a base year.</p>	
GRI 305-6	Emissions of ozone-depleting substances (ODS)		No significant emissions of ozone depleting substances were identified in the reporting period.	
GRI 305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Air emissions, p. 95	<p>The Company does not measure emissions of persistent organic pollutants (POPs).</p> <p>Source of the emission factors was used according to the Russian environmental legislation including reporting standards and methodologies.</p>	
GRI 306 WASTE				
GRI 306-1	Waste generation and significant waste-related impacts	Waste management, p. 96	<p>Waste impacts, described in the Report relate to waste generated in the organization's own activities.</p> <p>Polyus understands that the Company's waste products can be damaging to the environment. Major amount of generated waste is overburden, which has no significant impact on the environment. Hazardous waste is handed over to special hazardous waste management organizations.</p>	
GRI 306-2	Management of significant waste-related impacts	Waste management, p. 96	<p>In 2020, at Olimpiada and Blagodatnoye, an external contractor took over management of the landfill site. The work is carried out in accordance with legislative obligations. At the rest of the enterprises waste landfills are managed by Polyus.</p> <p>The Company is not involved in transportation, import, export, or treatment of waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII</p>	
GRI 306-3	Waste generated	Waste management, p. 96		
GRI 306-4	Waste diverted from disposal	Waste management, p. 97		
GRI 306-5	Waste directed to disposal	Waste management, p. 97		
G4-MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Dams and tailings facilities, p. 99		

GRI CONTENT INDEX CONTINUED

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 307 ENVIRONMENTAL COMPLIANCE				
GRI 307-1	Non-compliance with environmental laws and regulations		<p>In 2020 the Company received no non-financial sanctions or cases brought through dispute resolution mechanisms.</p> <p>We understand 'non-financial sanctions' to refer to 'government agencies prescriptions on eliminating violations', which set out the concrete measures that a company must take to resolve the violation with specific deadlines. In 2020, Polyus received no such notices.</p> <p>Inspections by the Russian regulatory authorities identified nine non-compliance cases, five of which have been fully addressed within the reporting period.</p>	
GRI 400 SOCIAL				
GRI 401 EMPLOYMENT				
GRI 401-1	New employee hires and employee turnover	Workforce composition and engagement, p. 59 Training and development, p.66	<p>The Company's turnover rate was 21.2%.</p> <p>The turnover rate of Business Units: Olimpiada and Blagodatnoye – 12.13% Verninskoye – 11.71% Kuranakh – 15.69% Natalka – 10.09% Alluvials - 65.41%</p> <p>In 2020 Polyus also starts to record turnover rate by gender.</p>	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		The Group provides the same benefits to all employees, except for additional medical insurance, which is not provided to part-time employees.	
GRI 401-3	Parental leave		The Group complies with the legal requirements. All employees entitled by law to go on leave for child care/ parental leave are free to do so with retention of their position.	
GRI 403 OCCUPATIONAL HEALTH AND SAFETY				
GRI 403-1	Occupational health and safety management systems	Management approach, p. 74		
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Management approach, p. 75 Injury prevention, p. 78 Driving safety p. 82		
GRI 403-3	Occupational health services	Health protection, p. 86		
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Improving safety culture, p. 76 Injury prevention, p. 79		
GRI 403-5	Worker training on occupational health and safety	Corporate training, p. 81		

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 403-6	Promotion of worker health	Health protection, p. 86 Response to COVID-19, p. 36		
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health protection, p. 84		
GRI 403-8	Workers covered by an occupational health and safety management system	Management approach, p. 75	100% of Polyus employees are covered by health and safety management system.	
GRI 403-9	Work-related injuries	Injury prevention, p. 78 Contractor management, p. 84	The total number of hours worked by all employees in 2020 was 44,200,437. The number of hours worked by contractors in 2020 was 20,902,947. Information on injuries disclosed includes all employees of the Company (mining and service units) and all contractors working at the Company's sites. The methodology for calculating lost-time injuries for contractors is in the process of development.	
GRI 403-10	Work-related ill health	Health protection, p. 87	Types of employees' occupational diseases; Bilateral chronic sensorineural hearing loss and vibration disease associated with exposure to local and general vibration. The data on contractors are not recorded.	
GRI 404 TRAINING AND EDUCATION				
GRI 404-1	Average hours of training per year per employee		The Company has the same approach in training processes for both genders	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		Polyus doesn't have transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		All employees undergo performance reviews based on a system of individualized KPIs which takes account of their functional and individual role	
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY				
GRI 405-1	Diversity of governance bodies and employees		The Board by gender: Male – 89% (8 out of 9 members) Female –11% (1 out of 9 members) The Board by age: 21-30 – 11.1 % 31-40 – 11.1% 41-50 – 33.3% 50 and above – 44.4%	

GRI CONTENT INDEX CONTINUED

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 405-2	Ratio of basic salary and remuneration of women to men		Remuneration policies at Polyus doesn't make no distinction between women and men.	
GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		We strictly comply with the laws of the country of presence. According to Collective bargaining agreement and our Human rights policy the freedom of activity of public associations and collective bargaining is guaranteed.	
GRI 413 LOCAL COMMUNITIES				
GRI 413-1	Operations with local community engagement, impact assessments, and development programs		<p>According to Russian legislation, all new sites/assets under development underwent an environmental impact assessment EIA (Environmental Impact Assessment).</p> <p>The results of the EIA are disclosed in full for review and comments by all interested parties in accordance with the Order of the State Committee for Ecology of the Russian Federation of May 16, 2000 N 372 "On Approval of the Regulations on the Assessment of the Impact of Planned Economic and Other Activities on the Environment in the Russian Federation".</p> <p>The Company doesn't conduct broad based local community consultation committees and processes that include vulnerable groups. Nevertheless, community development programs at all sites are implemented.</p> <p>as part of the Company's charity and sponsorship activities/ The Company's hotline also accepts requests from external stakeholders.</p>	
GRI 413-2	Operations with significant actual and potential negative impacts on local communities		Despite the fact that we do not perform assessment of the potential negative impact, all Company's sites strive to enhance the positive impact and minimize any negative effect, that their activities may have on local communities.	

GRI Indicator	Disclosure	Page number (or link)	Comment	Omissions
GRI 415 PUBLIC POLICY				
GRI 415-1	Political contributions	Transparency and disclosure, p. 50		
GRI 419 SOCIOECONOMIC COMPLIANCE				
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Annual Review, p. 17	In the reporting period the Company received no significant fines or sanctions for non-compliance with laws and regulations on social matters.	
GRI SECTOR SPECIFIC: EMERGENCY PREPAREDNESS				
G4-DMA	Additional Guidance	Emergency preparedness, p. 87		
GRI SECTOR SPECIFIC ASPECT: CLOSURE PLANNING				
MM10	Number and percentage of operations with closure plans	Land conservation, p. 100		

INDEPENDENT ASSURANCE REPORT

Independent practitioner's limited assurance report by AO Deloitte & Touche CIS ('Deloitte') to PJSC Polyus Board of Directors on the 2020 Sustainability Report for the year ended 31 December 2020

Scope of limited assurance engagement

We have been engaged by PJSC Polyus to perform an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ('the Standard') to provide public limited assurance on accuracy of Selected Data presented in PJSC Polyus Sustainability Report prepared in accordance with the GRI Standards ('the Report') for the year ended 31 December 2020.

Limited assurance procedures and roles

Selected Data

We carried out limited assurance on accuracy of the following data related to 2020 year and included into the Report:

1. Selected key performance indicators specified below in the section "*Selected non-financial performance data for public limited assurance*";
2. Assertions and disclosures related to Polyus's application of the International Council on Mining and Metals ('ICMM') Sustainability Development Framework on page 136 of the Report; and
3. PJSC Polyus's self-declaration in preparing its Report in accordance with the requirements of the Global Reporting Initiative ('GRI') Sustainability Reporting Standards as stated on page 136 of the Report.

Our key limited assurance procedures

To achieve limited assurance, the ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our limited assurance conclusion.

To form our conclusion, we undertook the following procedures:

- Conducted remote review of three business units – Polyus Krasnoyarsk, Polyus Verninskoe, Polyus Aldan and shared service centre – Multi-functional centre;
- Analysed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;

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- Conducted interviews with employees of PJSC Polyus responsible for sustainability performance, policies and corresponding reporting;
- Conducted selective substantive testing to confirm accuracy of received data to the selected key performance indicators;
- Made enquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of the sustainability issues and selected performance indicators and ICMM disclosures;
- Performed selective review of the disclosures in the Report on compliance with the GRI Standards;
- We corroborated ICMM assertions contained within the Report through selective inspection of supporting evidence.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, errors or non-compliance may occur and not be detected. Additionally non-financial information, such as that included in reporting documents is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information.

Our work has been undertaken so that we might state to PJSC Polyus those matters we are required to state to them in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PJSC Polyus for our work, for this Report, or for the conclusions we have formed.

Our engagement provides limited assurance as defined in ISAE 3000 (Revised). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Roles and responsibilities

- The Directors are responsible for the preparation, accuracy and completeness of the sustainability information and statements contained within the Report. They are responsible for determining PJSC Polyus sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived, including disclosure of enforcement and compliance to the PJSC Polyus's ICMM Sustainable Development Framework.
- Our responsibility is to express a conclusion on the Selected Data based on our procedures. We conducted our engagement in accordance with the ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

Independence and quality control

- We have complied with the independence and other ethical requirements established by the *Rules on Independence of Auditors and Audit Firms* and the *Code of Professional Ethics for Auditors* approved by the Audit Council of the Ministry of Finance of the Russian Federation and by the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

- The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Selected non-financial performance data for limited assurance

We have been engaged by the Board of Directors of PJSC Polyus to perform limited assurance procedures on accuracy of the following key performance data of the 2020 reporting year included into the Report:

Composition of governance bodies and breakdown of employees per employee category	<ul style="list-style-type: none"> • Number of employees by assets, region, category, gender and age group • Percentage of employees by assets, region, category, gender and age group (%)
Employee turnover	<ul style="list-style-type: none"> • Total number of new employee hired • Employee turnover (%)
Career development	<ul style="list-style-type: none"> • Number of employees trained • Employees trained as percentage of average headcount (%)
Fatalities and injuries of employees	<ul style="list-style-type: none"> • Total number of work-related fatalities • Total lost time injury frequency rate (LTIFR) (per 200,000 hours worked) • Lost time injury frequency rate (LTIFR), by business units (per 200,000 hours worked) • Number of total registered injuries (TRI) • Total registered injuries frequency rate (TRIFR) (per 200,000 hours worked)
Energy/electricity use and climate change	<ul style="list-style-type: none"> • Purchase of primary energy resources (fossil fuel/its derivatives) (tonnes) • Consumption of primary energy sources (fossil fuel/its derivatives) (tonnes) • Amount of electricity produced and sold (million kWh) • Amount of heating produced and sold (thousand Gcal) • Amount of electricity purchased (thousand kWh) • Amount of heating purchased (thousand Gcal)
Greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> • Direct GHG emissions (Mt CO₂-e) • Indirect GHG emissions (Mt CO₂-e)
Significant air emissions	<ul style="list-style-type: none"> • Carbon oxide emissions (CO) (tonnes) • Sulphur oxides emissions (SO₂) (tonnes) • Amount of Nitrogen oxides emissions including nitrogen dioxide (tonnes) • Solid dust emissions (tonnes)
Waste	<ul style="list-style-type: none"> • Waste reused excluding overburden and tailings (thousand tonnes) • Waste stored excluding overburden and tailings (thousand tonnes) • Waste transferred and neutralised excluding overburden and tailings (thousand tonnes) • Total amount of overburden waste (million tonnes) • Total amount of tailings (million tonnes)
Water	<ul style="list-style-type: none"> • Total water withdrawn for production needs (thousand m³) • Structure of water intake, for production needs (thousand m³) • Total volume of water discharged (thousand m³) • Percentage of water recycled and reused (%)
Regulatory compliance	<ul style="list-style-type: none"> • Total monetary value of environmental fines (USD thousands) • Number of non-monetary sanctions for non-compliance with environmental laws and regulations
Sponsorship and charity	<ul style="list-style-type: none"> • Social support structure by regions and type (USD thousands)

Limited assurance conclusion

Based on the scope of our work and the assurance procedures performed nothing has come to our attention that causes us to believe that the aforementioned Selected Data, which we were engaged to provide limited assurance on, as specified in the 'Roles and responsibilities' section above are materially misstated.


Natalya Kaprizina
Engagement partner

20 May 2021



The Entity: Public Joint Stock Company Polyus

Primary State Registration Number: 1068400002990

Certificate of registration in the Unified State Register № 84 000060259 of 17 March 2006, issued by Interdistrict Inspectorate of Federal Tax Authorities №2 of Krasnoyarsk territory, Talmyr (Dolgan-Nenetsk) and Evenki autonomous okrugs

Address: 123056, Russian Federation, Moscow, Krasina St., 3 bldg 1

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384.

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