



# Resilient Responsible Sustainable

SUSTAINABILITY REPORT 2021

# Resilient Responsible Sustainable



**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.<sup>1</sup>

<sup>1</sup> As for 2021.

**ICMM**  
International Council  
on Mining & Metals

**MINING WITH  
PRINCIPLES<sup>1</sup>**

# Overview

## Leadership Message

Message from the CEO

## About Polyus

Polyus at a glance

Where we operate

Our business model

FY2021 sustainability performance

Our sustainability journey

## Our approach to Sustainability

How we manage sustainability

Sustainability governance

Commitment to UN Global Compact Principles

Contributing to UN Sustainable Development Goals

ICMM membership

Commitment to external initiatives

Stakeholder engagement

Material issues

Digitalization

|           |                                  |            |
|-----------|----------------------------------|------------|
| <b>6</b>  | <b>Ethics and human rights</b>   | <b>40</b>  |
| <b>9</b>  | <b>Human capital</b>             | <b>52</b>  |
| <b>10</b> | <b>Health and safety</b>         | <b>72</b>  |
| <b>11</b> | <b>Environmental stewardship</b> | <b>86</b>  |
| <b>14</b> | <b>Energy and climate change</b> | <b>102</b> |
| <b>16</b> | <b>Local communities</b>         | <b>110</b> |
| <b>18</b> | <b>Additional Information</b>    | <b>136</b> |
| <b>22</b> | About this Sustainability Report | 138        |
| <b>26</b> | TCFD-aligned disclosure          | 142        |
| <b>28</b> | GRI content index                | 144        |
| <b>29</b> | Independent assurance report     | 156        |
| <b>32</b> | Contact information              | 160        |

## Ethics and human rights 40



## Human capital 52



## Health and safety 72



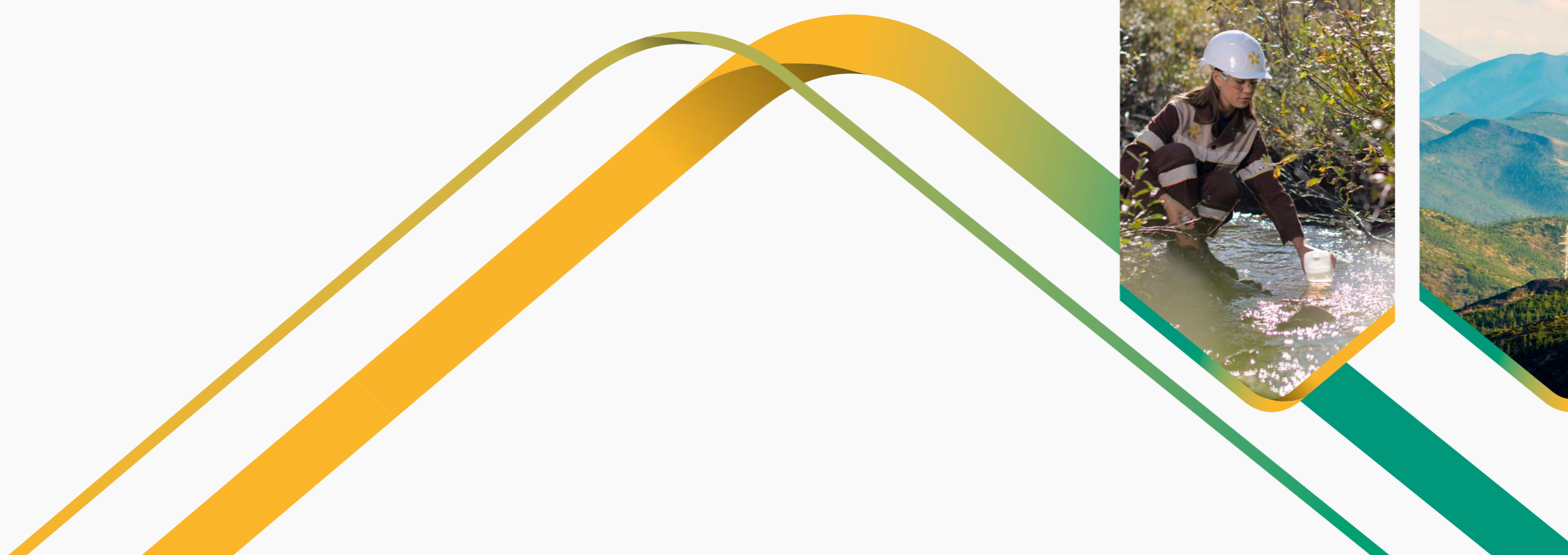
## Environmental stewardship 86



## Energy and climate change 102



## Local communities 110



## Leadership Message

GRI 102-14 · GRI 102-15

## Message from the CEO

PRODUCTION  
MOZ

2.7

TCC  
PER OUNCE

\$405

Acting responsibly is not just the right thing to do, but it is also absolutely essential if we are to operate efficiently and deliver excellent results. Embedding ESG principles into our strategy helps us to achieve our objectives, and through adopting best practices we set the standards for sustainability management and maintain our industry leadership.

ESG principles are integrated across all aspects of our business; from production processes to our management systems. Our approach includes compliance – not only with national legislation, but also with international standards and requirements. Employee safety, reducing our environmental footprint, conducting business ethically and developing our local communities are key features of our strategy. Sustainability within Polyus is an essential catalyst for our continued growth and prosperity, for the company and community alike.

The acute global environmental situation and the problems associated with climate change demand that businesses play a full, active role in devising and implementing solutions. Society and stakeholders alike expect companies to make serious efforts to mitigate their negative environmental impacts. At Polyus, environmental considerations form part of the decision-making process at every level.

Stakeholders expect companies to define clear decarbonization strategies, set long-term goals and report on their progress. We recognize our responsibility to step up and contribute to the decarbonization of the economy, which is why we are assessing climate risks that will form the basis of our Climate Strategy. Emissions reduction continues to be a key driver in how we manage our energy supply –100% of the electricity purchased comes from renewable energy sources.<sup>1</sup> Companies have a particular responsibility to align their operations with efforts to combat climate-related risks; they also need to extend their collaboration with stakeholders to address this issue. In 2021, we entered into a new partnership with the Climate Governance Initiative Russia and joined the collective commitment with ICMM members to reach zero for Scope 1 and 2 emissions.

The health and wellbeing of our employees remains an absolute priority for Polyus. This is why we have built our HSE management system around best practice and implemented a raft of linked initiatives: from employee training programs to introducing safer equipment in our production processes. In 2021, Polyus trained 28,515 employees within the safety culture development and injury prevention program. This helped us

to maintain our (Bradley scale) safety culture score at 2.6, which is the same level as in 2020, while the LTIFR indicator stood at 0.18. We also launched a digitalization project for health and safety processes, which enables us to consolidate and monitor data in real time.

During the year we continued to integrate Polyus' industrial and occupational safety processes. This work is helping us to build a robust, sustainable and reliable risk management system, to ensure the safety of Polyus' industrial infrastructure and protect the lives and health of our people.

In 2021, our focus remained on our comprehensive response to the COVID-19 pandemic. 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, the Company hit an 85% vaccination rate.

Polyus' employees are the key to the Company's development. We therefore endeavor to provide our people with fulfilling careers, development opportunities and training across a range of disciplines and skills. We also constantly monitor the effectiveness of our HR management system to ensure we build and maintain strong relationships with employees based on trust and mutual respect.

In 2021, we continued to improve our internal communications channels and extended our accessibility to job applicants. We established a dedicated career portal on our website, where anyone interested in working with us can find out more about career opportunities. We also worked hard to attract young talent by holding a variety of events for students and graduates to ensure the Company's sustainable growth.

We are acutely aware that Polyus has an influence and impact on the lives and wellbeing of thousands of people. We therefore play an active part in – and make meaningful contributions to – our local communities and their infrastructure. In 2021, we continued introducing measures to develop territories in accordance with concluded agreements. We entered into a new agreement with the Bodaibo City Administration and continued to invest in the construction and improvement of schools, hospitals and cultural centers, including the purchase of essential equipment. Polyus has also been a longstanding supporter of cultural life in the regions where we operate. We hold regional theater competitions, contemporary art festivals, and our signature theater festival "the Territory".

In 2021, we achieved most of the Company's goals, which supported us moving forward with the implementation of our strategy. We will continue to invest in environmental and infrastructure projects, developing our employees and working on improving safety in order to remain sustainable and make tangible progress towards our long-term goals.

Alexey Vostokov,  
CEO

20.07.2022

<sup>1</sup> This was primarily achieved through switching electricity supply at the Company's key operating assets to hydropower by signing large-scale power purchase agreements (PPAs) with a Russian hydropower producer. To further support the production of renewable energy and account for the remaining volume of our energy requirements not yet directly met by renewables, we purchased green I-REC certificates.

# About Polyus

- 10 Polyus at a glance
- 11 Where we operate
- 14 Our business model
- 16 Our FY2021 sustainability performance
- 18 Our sustainability journey

## About Polyus

# At a glance

### POLYUS TODAY

Polyus endeavors to contribute to economic prosperity within the country and advance technological development by mining gold in the most efficient way, while delivering value to our stakeholders and improving the social and environmental situation. We strive to deliver a first-class business by applying best management, technological, and environmental solutions and ensuing safe working conditions and low environmental impacts. Polyus' strategy and operations align with sustainability principles, which promote a rigorous safety culture for our employees, prosperity for communities, and mutually beneficial partnerships with stakeholders.

### OUR MISSION

Our mission comprises implementing top-class mining practices and the principles of sustainability, alongside taking care of the environment and ensuring employee safety. Like gold, which is said to hold eternal value, our Company aims to be a paragon of long-term sustainability, efficiency, and profitability, and deliver continuous value and positive impacts to society.

### GRI 102-16

### OUR VALUES

The Polyus values reflect for employees the key guiding principles at each step of operations, and motivate the Company to achieve outstanding results.

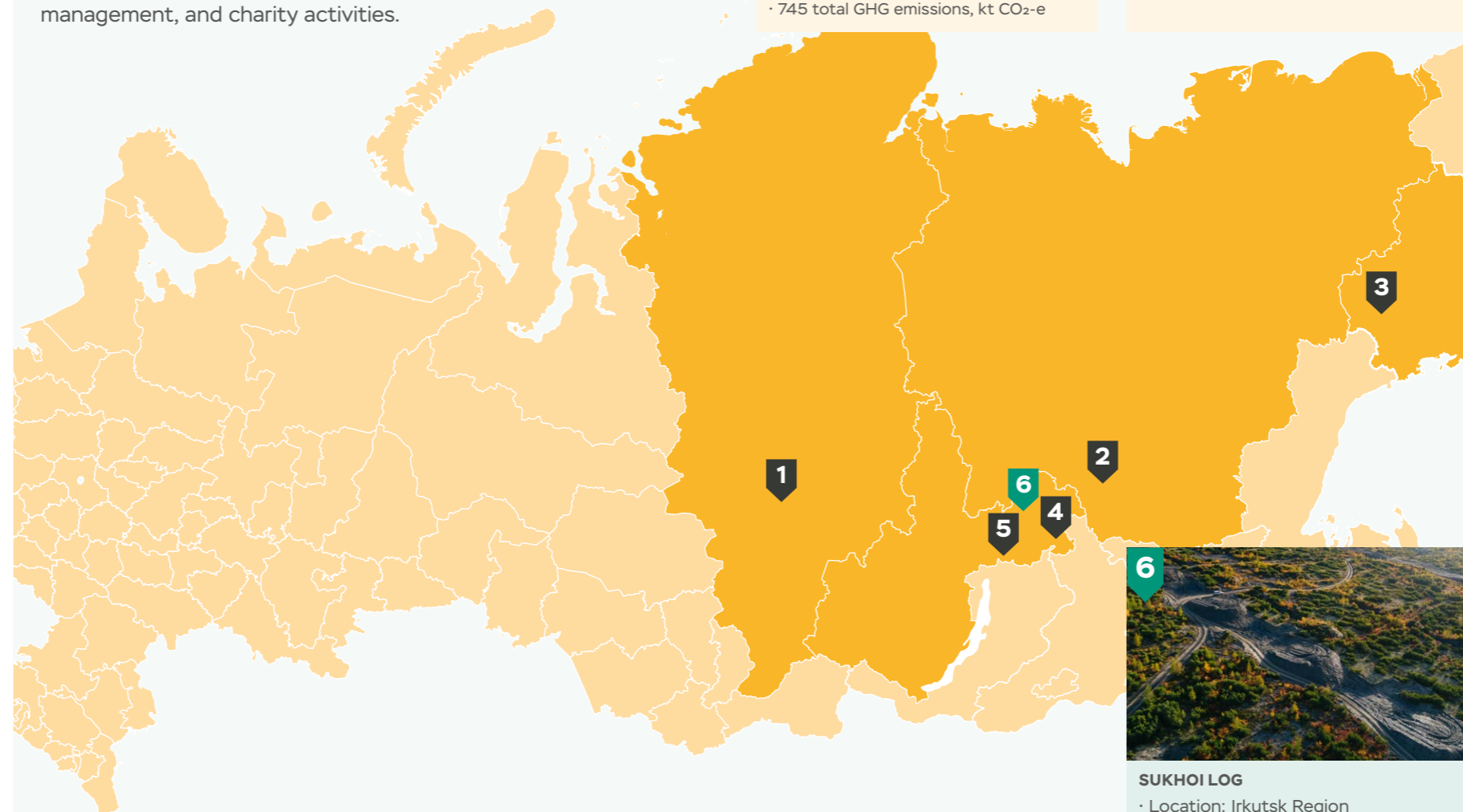
|             |                |                 |
|-------------|----------------|-----------------|
| Efficiency  | Sustainability | Development     |
| Cooperation | Safety         | Professionalism |

# Where we operate

### GRI 102-4 · GRI 102-6

Polyus large-scale production assets are spread across Eastern Siberia and the Russian Far East, with principal operations in Krasnoyarsk Territory, Irkutsk and Magadan Regions and the Republic of Sakha (Yakutia).

Recognizing the significant impact we have on our regions of operation, Polyus works hard to enhance quality of life in the regions and to contribute towards economic growth, social development, and the well-being of local communities. Our efforts include infrastructure development programs, job creation initiatives, effective environmental management, and charity activities.



#### OLIMPIADA AND BLAGODATNOYE

- Location: Krasnoyarsk Territory
- 56% share of the Company's gold output
- Olimpiada 43%, Blagodatnoye 16% – of adjusted EBITDA
- 5,787 average headcount
- \$8,206 thousand – expenditure on social support activities for the region
- 745 total GHG emissions, kt CO<sub>2</sub>-e



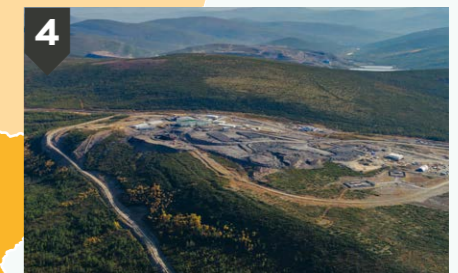
#### KURANAKH

- Location: Republic of Sakha (Yakutia)
- 9% share of the Company's gold output
- 8% – of adjusted EBITDA
- 1,744 average headcount
- \$436 thousand – expenditure on social support activities for the region
- 204 total GHG emissions, kt CO<sub>2</sub>-e



#### NATALKA

- Location: Magadan Region
- 19% share of the Company's gold output
- 19% – of adjusted EBITDA
- 1,836 average headcount
- \$1,321 thousand – expenditure on social support activities for the region
- 151 total GHG emissions, kt CO<sub>2</sub>-e



#### VERNINSKOYE

- Location: Irkutsk Region
- 11% share of the Company's gold output
- 11% – of adjusted EBITDA
- 1,188 average headcount
- \$271 thousand – expenditure on social support activities for the region
- 72 total GHG emissions, kt CO<sub>2</sub>-e



#### SUKHOI LOG

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



#### ALLUVIALS

- Location: Irkutsk Region
- 5% share of the Company's gold output
- 3% – of adjusted EBITDA
- 2,890 average headcount
- \$638 thousand – expenditure on social support activities for the region
- 82 total GHG emissions, kt CO<sub>2</sub>-e

KEY: Operating mines  
 Projects at exploration stage

## About Polyus

# Where we operate (continue)

## Operational advances

Polyus is resolute in its efforts to continuously boost production capacity at its mines and improve the growth profile. Our most important task is to provide processing facilities with sufficient reserves of ore of the necessary quality, so that the Company can operate uninterruptedly and steadily produce gold according to established plans. Another task running in parallel with the main one is to obtain, analyze, and correctly interpret geological information – this forms the basis of our strategic decisions. Our development and exploration projects guarantee long-term growth for Polyus, with the greenfield project Sukhoi Log being a cornerstone of our development.

### Case study

#### SUKHOI LOG – THE STANDARD OF WORK

Nowadays exploration is getting increasingly complicated, and a variety of issues arise in the study of deposits. People have been mining now for many years, so there are almost no deposits close to the surface or existing infrastructure. Today we have to study deposits at an atypical depth for the gold mining industry, making it difficult to accurately estimate the reserves of large amounts of ore.

Previously, when using traditional exploration methods and mechanisms, field evaluation was a simpler process: geologists worked at relatively shallow depths that were rich in content. Now conditions have changed, and our geologists have to work at inferior and more complex fields. Traditional methods can lead to mistakes when evaluating a deposit, so Polyus actively embraces innovation and advances in digital technology.

The most effective way to assess the reserves of a field is to use new technologies, including:

- Drones – these allow search times to be reduced by rapidly flying around and analyzing a relatively large area;
- 3D modelling – this helps to ascertain the potential value of a deposit in volume terms;
- Computer programs – these make it possible to reliably assess the nature of gold distribution and understand how to best conduct mining at lower cost and with maximum efficiency;

Sukhoi Log is an example of how we are embracing the latest technologies. At this development project we have created a well-established exploration model in stages, which accurately indicates gold reserves. For example, we use tablets that allow analysis results to be automatically entered into a database. The same principles and approaches are planned to be replicated in other projects. Moreover, Polyus now has a great opportunity to start implementing the principles of the Global Industry Standard on Tailings Management from scratch during the development phase of the Sukhoi Log production asset. Polyus will implement the principles of the standard from the design and construction phase of the tailings facility, then during its operation and until its closure in the distant future.

The exploration of gold reserves and production planning are core aspects that underpin our Company's success, and implementing more efficient operating models and advanced technologies is key to the sustainable development of Polyus.

#### Lesson learned

Exploration in poorly explored areas in order to find large gold deposits is a prerequisite for successful development in the long term. The use of digital technology overcomes the challenges that the gold mining industry faces today in developing new territories. Using the example of Sukhoi Log, Polyus determined for itself how exactly the model of exploration should function in order to maintain sustainability in the future.



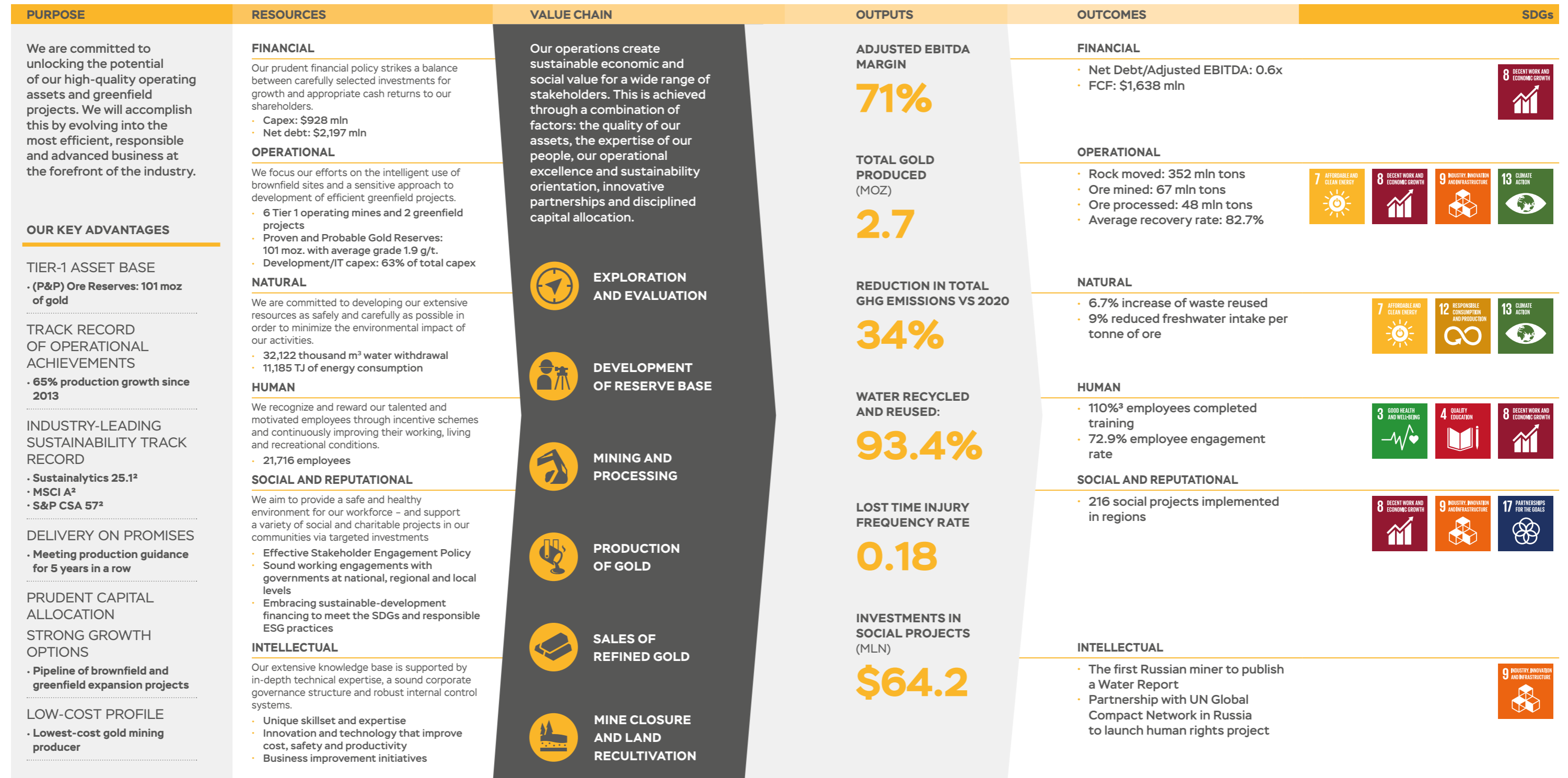
<sup>1</sup> Decision-making.



## About Polyus

# Our business model<sup>1</sup>

Polyus' business model spans the whole gold production cycle: from exploration, mining and processing to the sale of refined gold and careful rehabilitation of the environment. Our growth ambitions are underpinned by a disciplined approach to cost management and a proactive attitude to sustainability. Alongside our business partners, employees and communities, we create sustainable value for all our stakeholders.



### CREATING SUSTAINABLE LONG-TERM VALUE

Sustainability underpins everything we do and is an integral part of our value chain. We work responsibly and ensure that Polyus continuously creates value for all stakeholders. This also reflects our stewardship of the natural environment. Our strategy is designed to support the commitment of embedding sustainability principles into all our operations.

<sup>1</sup> Data presented for year 2021.

<sup>2</sup> Data on the results of the ratings is published as of December 31, 2021.

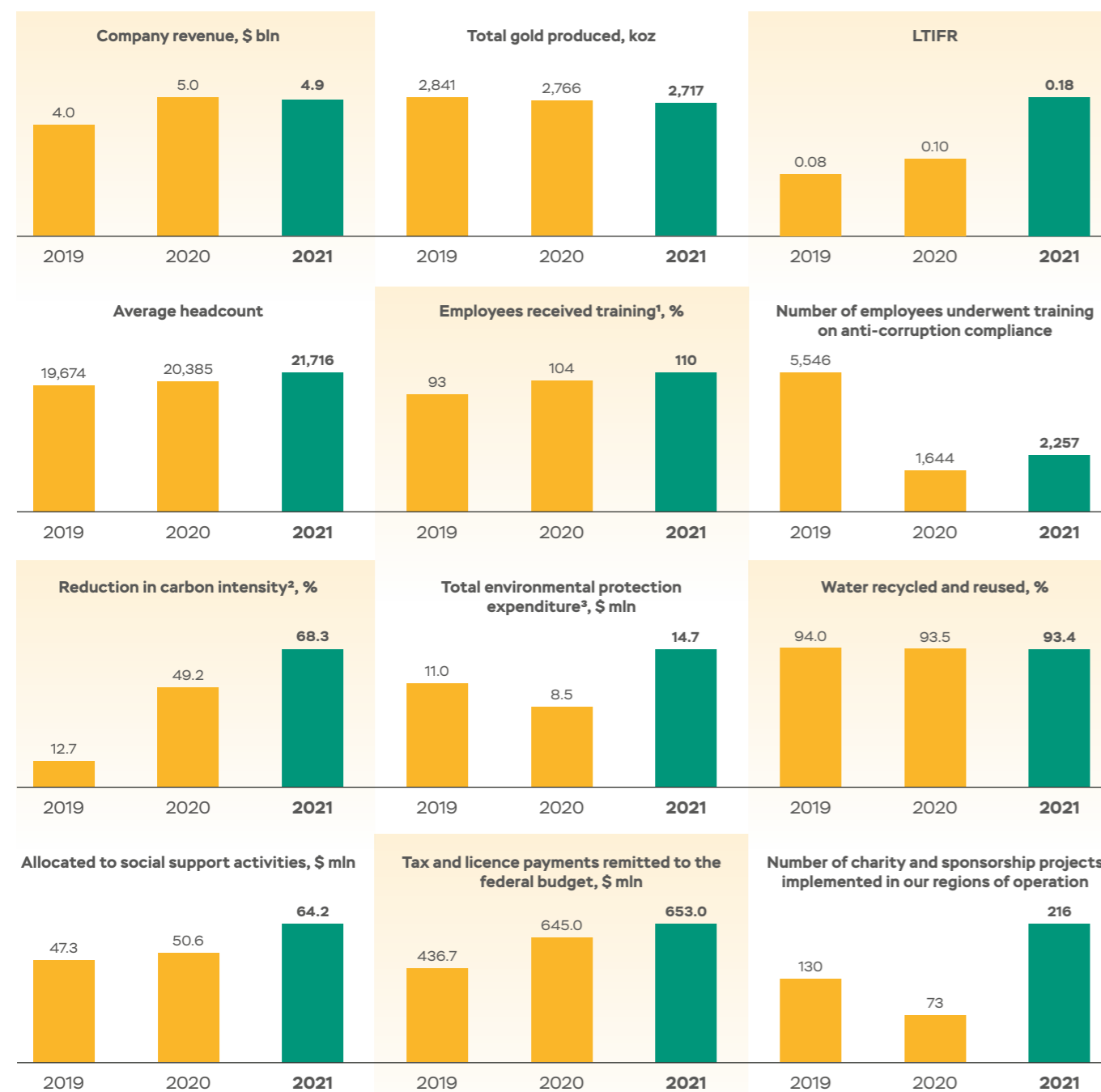
<sup>3</sup> The number of unique employees (including retired during the year but completed training).



## About Polyus

# FY2021 sustainability performance

In 2021, Polyus continued to implement sustainability initiatives in order to meet the expectations of stakeholders, contribute to Sustainable Development Goals, and make our business in the mining industry more responsible.



<sup>1</sup> The number of unique employees (including retired during the year but completed training).  
<sup>2</sup> Data on the graph shows reduction in carbon intensity vs 2018. Reduction in carbon intensity vs 2020 was 37%.  
<sup>3</sup> The calculation used the average annual dollar exchange rate set by the Central Bank of the Russian Federation for 2021: RUB 73.65.

## Polyus in ESG Ratings 2021<sup>1</sup>



### MSCI ESG RATING

A confirmed in 2021.



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

- Company score: 57 (up from 54 in 2020).
- Percentile ranking: 84 (up from 72 in 2020).



### SUSTAINALYTICS

25.1 points: medium risk (on a scale from 0 to 100, the lower the better).



### CDP CLIMATE CHANGE

D (down from C in 2020).

### CDP WATER SECURITY

C (confirmed C in 2020).



### FTSE RUSSELL

- Score 3.6.
- 61<sup>st</sup> percentile – 2021.



### VIGEO EIRIS

Best Emerging Market Performers.

- Score 54.
- Rank in sector – 4 out of 51.
- Rank in region – 27 out of 846.



### ISS

C (Decile rank – 3, high relative performance).



### BLOOMBERG GENDER EQUALITY INDEX

46.36%.



### WWF AND THE UN

Polyus was recognized as the best company in the Information Disclosure section and one of the four leading companies in the industry in the Environmental Impact category. Polyus, along with four other companies, also shared second to fifth place in the Environmental Management section.

## Our awards in 2021



Polyus maintained leading positions in two RSPP indices: Sustainable development vector and Responsibility and transparency.



Polyus was recognized as having the Best ESG Materiality Reporting at the annual IR Magazine Awards.



Polyus won gold in the 2021 list of Russia's best employers



Polyus won the People Investor corporate project competition in the Environmental Efficiency category.



Polyus won ECO BEST AWARD in the category "Best Environmental Report" for its Water Report.



Polyus became a gold medalist in the MineESG Competition of significant social and environmental projects in the Russian mining and metallurgical industry thanks to its project "Water Campaign: Increasing the Efficiency of Water Management."

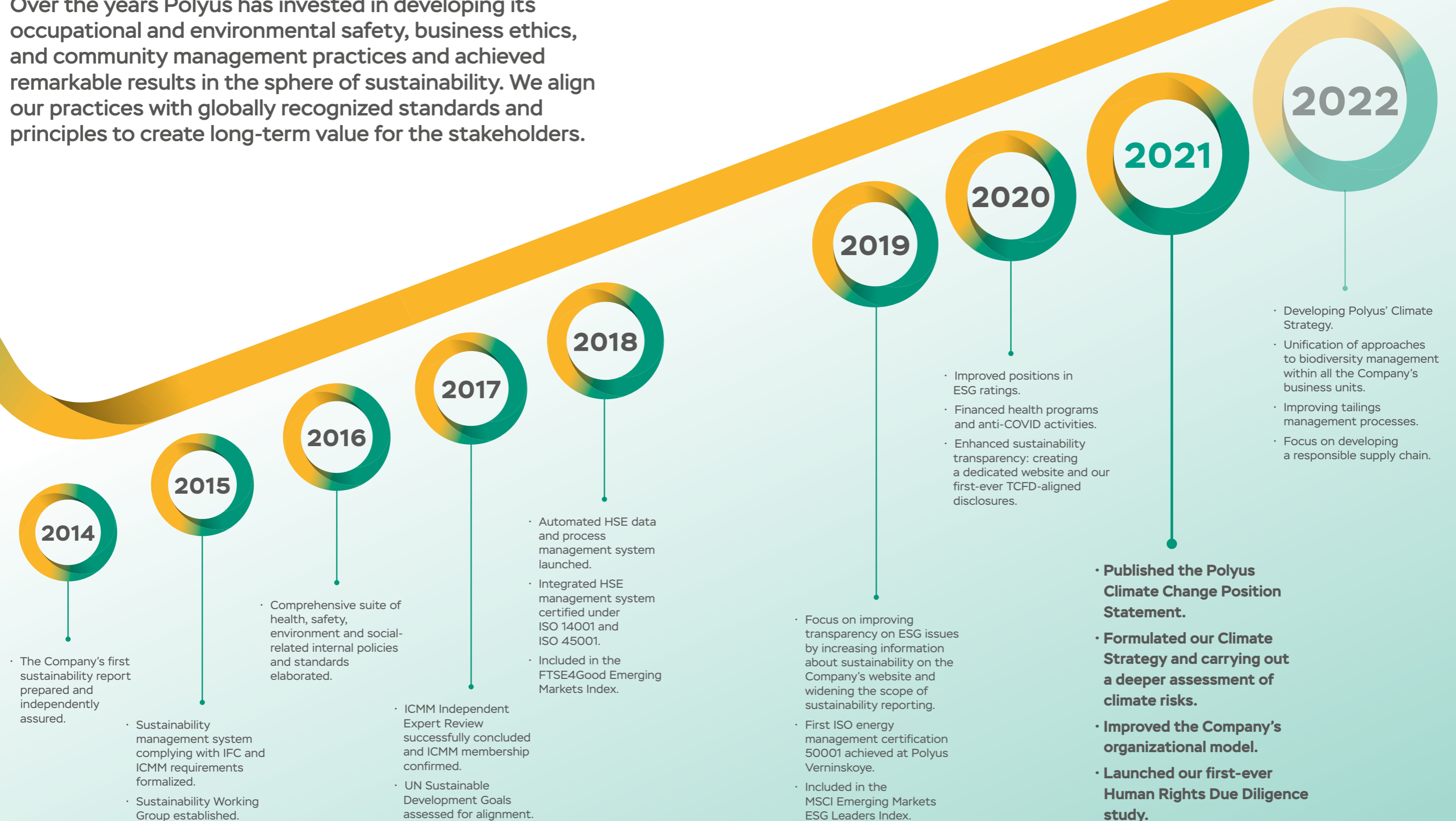
Polyus' "Water Campaign" was awarded the Russian Mining Award known as "Mining Oscar" for outstanding achievements in the development of the mining and geological industry and subsoil use.

<sup>1</sup> Data on the results of the ratings are published as of December 31, 2021.

## About Polyus

# Our sustainability journey

Over the years Polyus has invested in developing its occupational and environmental safety, business ethics, and community management practices and achieved remarkable results in the sphere of sustainability. We align our practices with globally recognized standards and principles to create long-term value for the stakeholders.



# Our approach to sustainability

The principles of sustainability form a cornerstone of Polyus' corporate culture, development, and success. We believe that through integration of sustainable business practices we can foster economic, environmental, and social prosperity, as well as create value for both the Company and stakeholders.

- 22 How we manage sustainability
- 26 Sustainability governance
- 28 Commitment to UN Global Compact Principles
- 29 Contributing to UN Sustainable Development Goals
- 32 ICMM membership
- 33 Commitment to external initiatives
- 33 Stakeholder engagement
- 36 Material issues
- 38 Digitalization

## Our approach to Sustainability

# How we manage sustainability

The Polyus approach to sustainability is focused on maximizing positive impacts on society and the environment while at the same time avoiding, reducing, or mitigating any negative impacts from our business and decisions with the help of our corporate governance system and risk management tools. Stakeholder interests are a key value for us, that is why the Company endeavors to consider all their needs at each stage of the life cycle, as well as during strategic decision-making.

At Polyus, we seek to continuously improve our sustainable management system and to always align with national and international requirements, standards, and best practices. Our sustainability goals and principles are reflected in corporate policies and standards that encompass sustainability issues, such as the environment, climate change, occupational safety, human rights, business ethics, engagement with local communities, and work with suppliers.

## Sustainability management system

To ensure the efficient and continuous management of sustainability issues our Company has elaborated our corporate Sustainability Management System (SMS), in line with International Finance Corporation (IFC) Performance Standards 1-8, the sustainability principles and Position Statements of the International Council on Mining and Metals (ICMM), and other applicable sustainability standards and guidelines.

The SMS is integrated into the Company's operation model and helps us to implement Environmental, Social, and Governance (ESG) goals and requirements at all key management cycle stages and throughout the entire life cycle of the Company's assets.

## Sustainability strategy

Polyus' strategy is aimed at delivering organic growth and demonstrating efficient improvements and creating long-term value for the Company and its stakeholders. In order to organize reliable operations to maintain our commitments and fulfill our social and environmental responsibilities, we have determined five key areas of development and embedded them into our strategy.

Introducing and implementing sustainability practices is an integral part of Polyus' strategy. In 2021, key areas were

- climate change and the development of a Climate Strategy;
- increasing ESG requirements;
- implementing a health and safety strategy;
- ensuring employee safety and continuity of the Company's operations in light of COVID-19.

In order to implement and achieve the goals of the Strategy, the Company has a system of KPIs that includes not only operational and financial indicators but also ESG metrics, including the Bradley scale and LTIFR. We review established KPIs on a regular basis each year and update them if necessary.

**1 Sustainable growth and efficient management of environmental and social risks at each stage of the life cycle of an asset: exploration, engineering and design, production and processing, closure and rehabilitation**

**2 Strong financial results while adhering to sustainability principles in our operations**

**3 Achieving a zero injury rate through a world-class safety culture**

**4 To be a reliable partner to all stakeholders, including local communities in our areas of operation, and maintain an open dialogue with all stakeholders, taking their interests into account when making decisions**

**5 To cultivate a team of professionals committed to helping Polyus achieve leading industry positions while adhering to sustainability principles**

## Sustainability document framework

Polyus has compiled a comprehensive list of corporate documents that regulate environmental, social, and governance aspects, as well as associated risks. In Polyus' policies and standards we formalize sustainability commitments and management's approach to specific aspects of sustainable development.

The main document that regulates the sustainability practices of the Company is the Sustainability Management System standard. This outlines priority areas of operation and formalizes the allocation of responsibilities.

To manage specific areas of sustainable development, such as human rights, stakeholder engagement, the use of natural resources, and biodiversity, the Company has developed separate documents. This ensures that an integrated approach is applied and allows significant areas of sustainable development to be covered.

We keep our documents up to date and make adjustments as necessary. Next year, Polyus plans to update its Standard for Biodiversity Conservation, Human Rights Policy, and Stakeholder Engagement Policy.

In addition to elaborating internal standards and policies, Polyus devotes special attention to preparing sustainability reports. In these we strive to cover all key relevant aspects of sustainability for our stakeholders and to report on our successes and results in the environmental, economic, and social spheres.

Polyus is experimenting with formats for providing ESG information and trying to find new disclosure options. We want to communicate relevant information more fully to all our stakeholders. In particular, we have prepared a sustainability brochure focusing on the main sustainability activities. This is a new format for presenting ESG data in order to draw the attention of regional divisions to ESG topics, as it is essential for Polyus to convey the importance of the ESG agenda to all employees of the Company. To fulfill the interests of other Company's stakeholders we are also introducing thematic reports to deepen and broaden our disclosure. In 2021, we have already published our first Water Report. The Company is studying new reporting formats and is ready to adapt them in accordance with stakeholder requests.

**For more information about our sustainability document framework, see our corporate website.**

## Sustainability risk management

**GRI 102-15 · GRI 102-29 · GRI 102-30**

At Polyus, we understand that our operations are strongly aligned with sustainability risks and may result in adverse environmental or social consequences. To reduce the likelihood of negative impacts, we regularly analyze potential sustainability risks and respective opportunities for businesses, employees, and other stakeholders, and endeavor to make balanced decisions based on the results.

The Company has a risk management system in place in accordance with which internal processes and methodologies for risk assessment have been developed. Risk owners are employees from functional departments and they assess corporate risks on an annual basis and are responsible for the implementation of risk response measures. Responsibility for risk management extends to all employees and managers of the Company. The Audit Committee of the Board of Directors and the CEO monitor the effectiveness and reliability of the risk management system. In 2021, the Audit Committee reviewed the presentation of the Company's Health, Safety and Environment Program. The Committee approved risk mitigation plans related to safety driving, safety of hydraulic structures, various HSE training programs and health & safety culture development.

Polyus strives to ensure the improvement of its risk management and internal control systems by integrating ESG issues within them, in order to meet the expectations of investors, employees, and other stakeholders. During risk assessments we pay close attention to the potential impact of our projects on our employees and local communities. To consider all potential outcomes of our activities we always take into account:

- the interests of stakeholders, including vulnerable/disadvantaged groups;
- potential conflicts that may arise at various stages of a project implementation or jeopardize a project;
- opportunities and relationships that can arise as a result of a project.

### Case study

#### ELABORATING A RISK MANAGEMENT POLICY

Policy development forms part of the Company's risk management system transformation. The prime objectives of the Risk Management Policy are to ensure sustainable and stable business growth and establish a well-structured and rational approach to risk management at Polyus.

The specific objectives of the Risk Management Policy are:

- Definition of risk-oriented approach in making management decisions;
- Formation of a methodology for the functioning of the risk management system and the distribution of powers;
- Description of the structure and stages of risk management;
- Formalization of the foundations for the formation and development of a risk culture.

#### Lesson learned

By developing this document, Polyus provides guidance on managing risks to support the attainment of corporate objectives, protect staff and business assets, and ensure the financial sustainability of the Company.



Polyus analyzes external and internal factors to determine the most comprehensive list of risks faced by the Company. We distinguish strategics, industry, country and regional, operations, financial, legal, and strategic risks. The Company also identifies a separate group of ESG risks. In 2021, the list of main sustainability risks was updated. Compared to 2020, several risks were separately highlighted in the list of risks: HSE and ESG risks, which covered environmental issues, health and safety and human rights.

<sup>1</sup> Ethical business.

## Our approach to Sustainability

# How we manage sustainability (continue)

## Polyus' sustainability risks

### TOP SUSTAINABILITY RISKS

#### HSE AND ESG RISKS

##### ENVIRONMENT

###### Negative impact on the environment

- Potential damage to the environment, flora and fauna as well as negative impact on climate change.
- Interrupted operations due to climate change implications.

###### Where to learn more about the risk:

- 📖 Sustainability Report, Environmental stewardship, TCFD disclosure.
- 📖 Annual Review, Principal risks and uncertainties.

##### HEALTH AND SAFETY

###### Diseases, workplace injuries and accidents

- Risk of failure to observe health and safety requirements as well as threats to life and health of employees arising from factors not related to operation.

###### Mining risks, in particular pit wall failures

###### Where to learn more about the risk:

- 📖 Sustainability Report, Health and safety.
- 📖 Annual Review, Principal risks and uncertainties.

##### HUMAN RIGHTS

###### Risks of human rights impact through operational activities

- Non-compliance with occupational health and safety requirements by the Company's personnel and its contractors.
- Gender, racial, ethnicity-based and other discrimination; the use of forced labor; the access to health care unavailable.
- Inadequate mechanism of submitting and reviewing grievances.
- Human rights impact through soil and land degradation following mine closure.

###### Where to learn more about the risk:

- 📖 Sustainability Report, Ethics and Human rights.
- 📖 Annual Review, Principal risks and uncertainties.

#### LEGAL RISKS

##### CORPORATE GOVERNANCE

###### Non-compliance with legal requirements and internal regulations

- Non-compliance with the requirements of applicable legislation as well as abuse and corporate fraud.

###### Where to learn more about the risk:

- 📖 Annual Review, Corporate governance, Principal risks and uncertainties.

#### OPERATIONAL RISKS

##### SUPPLY CHAIN

###### Failure to meet supply chain management objectives

- Failure to meet supply chain management objectives due late delivery of materials and equipment, breach of delivery agreements, poor quality, tougher sanctions regime against Russia.

###### Where to learn more about the risk:

- 📖 Sustainability Report, Local communities.
- 📖 Annual Review, Principal risks and uncertainties.

##### HUMAN CAPITAL

###### Rising competition for qualified personnel, including technical experts

- Challenges in hiring qualified personnel due to the increased competition between companies for staff in the Russian labor market amid insufficient qualification provided by educational institutions, especially for technical professions.

###### Where to learn more about the risk:

- 📖 Sustainability Report, Human capital.
- 📖 Annual Review, Principal risks and uncertainties.

#### COUNTRY AND REGIONAL RISKS

##### LOCAL COMMUNITIES

###### Inefficient government relations

- The requirements of applicable legislation presume flexibility in allocating the state funds, as well as in the provision of tax benefits and state subsidies for infrastructure development.

###### Where to learn more about the risk:

- 📖 Sustainability Report, Local communities.
- 📖 Annual Review, Principal risks and uncertainties.

##### POLITICS

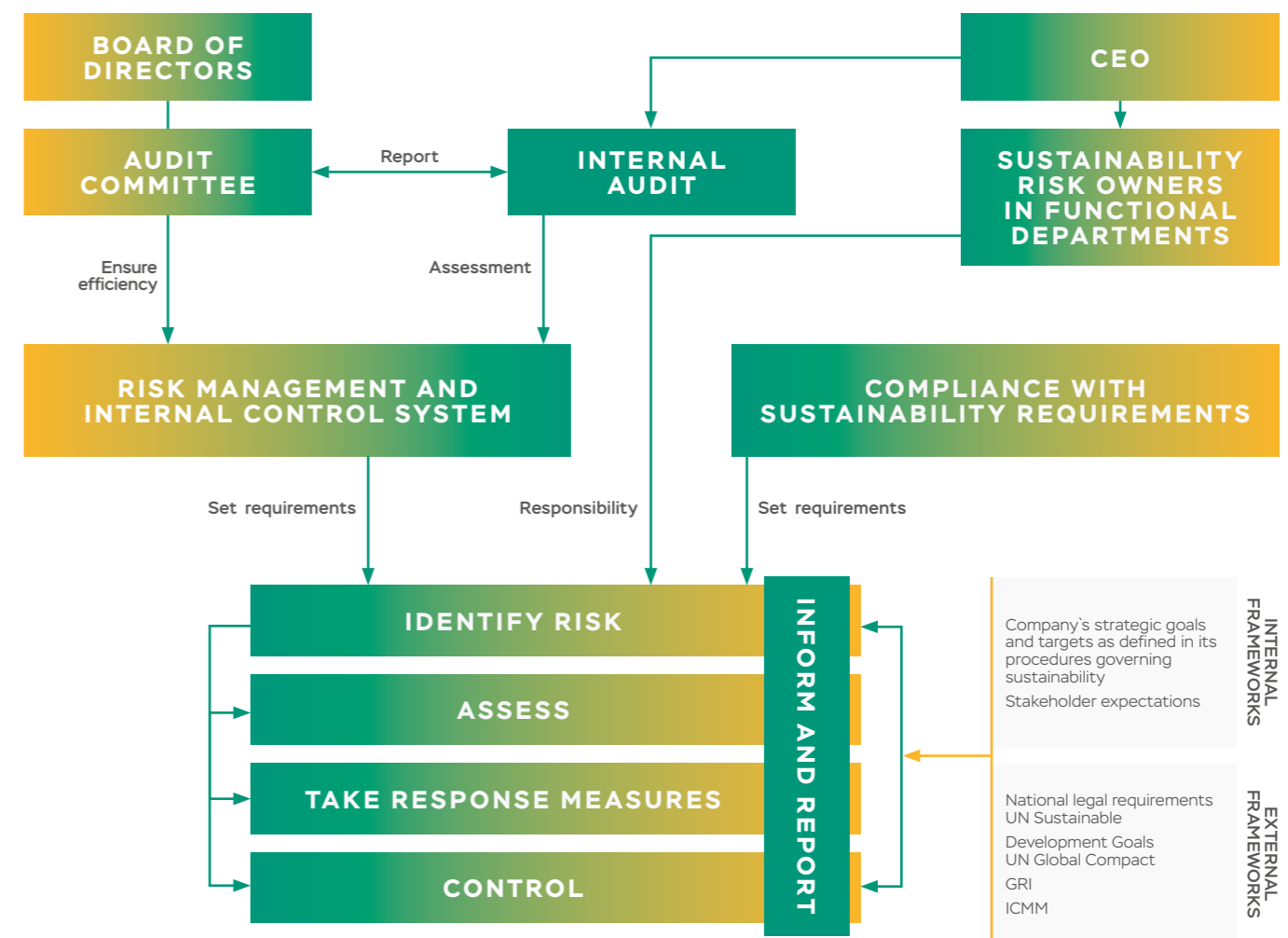
###### Increase of international pressure on the Russian Federation

- The fragile global situation may have an impact on the Company's operations due to sanctions imposed on Russia by various countries as well as refusal of international suppliers and contractors to cooperate with the Company.

###### Where to learn more about the risk:

- 📖 Annual Review, Principal risks and uncertainties.

## Management of sustainability risks



For more information about our risk management and internal control system, see the "Risk management" section in the Annual Report, p. 13.

The Company's risk management system is currently undergoing a transformation. Polyus aims to improve and update practices in terms of the regulation of risk management, hence the Company is actively working on enhancing its internal documents, including the Risk Management Policy.

## Our approach to Sustainability

GRI 102-18 · GRI 102-19 · GRI 102-20 · GRI 102-26 · GRI 102-27 · GRI 102-29 · GRI 102-31 · GRI 102-32

# Sustainability governance

**Sustainability management is an integral part of the Polyus corporate governance system. Responsibility for managing environmental, social, and economic issues within the Company's activities are allocated at all organizational levels of the Company.**

### Holding Company level

The Board of Directors is actively involved in managing sustainability and sets an appropriate "tone at the top". Directors establish the strategy and key areas of Polyus' sustainability practices. Traditionally, the Board of Directors discusses the preparation of non-financial reporting on sustainable development, approves it, and makes the final sign-off. It also carries out annual reviews of sustainability management results.

At Board meetings Directors also place special attention on sustainability issues and the Company's participation in global initiatives. In 2021 the Board discussed the following key topics:

- occupational health, the safety culture level, and injury record;
- personnel training and development;
- environmental protection;
- tailings storage facilities management and safety monitoring (including the Global Industry Standard on Tailings Management);
- responding to wildfire risks;
- the Climate Strategy.

Board committees boost the effectiveness of the Board's activities in the areas of reporting and disclosure, risk management, audits, nominations, remuneration, and strategy and operations. A clear division of functions among the Committees allows them to manage sustainability issues more effectively.

The Audit Committee monitors Polyus' risk management and control processes. The Committee also reviews the Company's Sustainability Report on annual basis.

The Nomination and Remuneration Committee ensures that the Board has the appropriate balance of knowledge, experience, independence, and diversity to work effectively and also considers issues related to the formation of effective and transparent remuneration practices, and the implementation of workforce planning.

Long-term strategic planning is handled by the Strategic Committee. This Committee determines the main directions of the Company's strategic development, sets goals and monitors the effectiveness of strategy implementation.

The Operations Committee supervises the implementation of measures in the field of occupational health and safety, environmental and social responsibility and operational efficiency. The Committee is also involved in issues related to ICMM membership and partnership with other national and international organizations.

The Board receives detailed information on the Company's operational results on a monthly basis, including reports on ESG aspects. The management of the Company prepares presentations for the Board meetings.

### Managing Company level

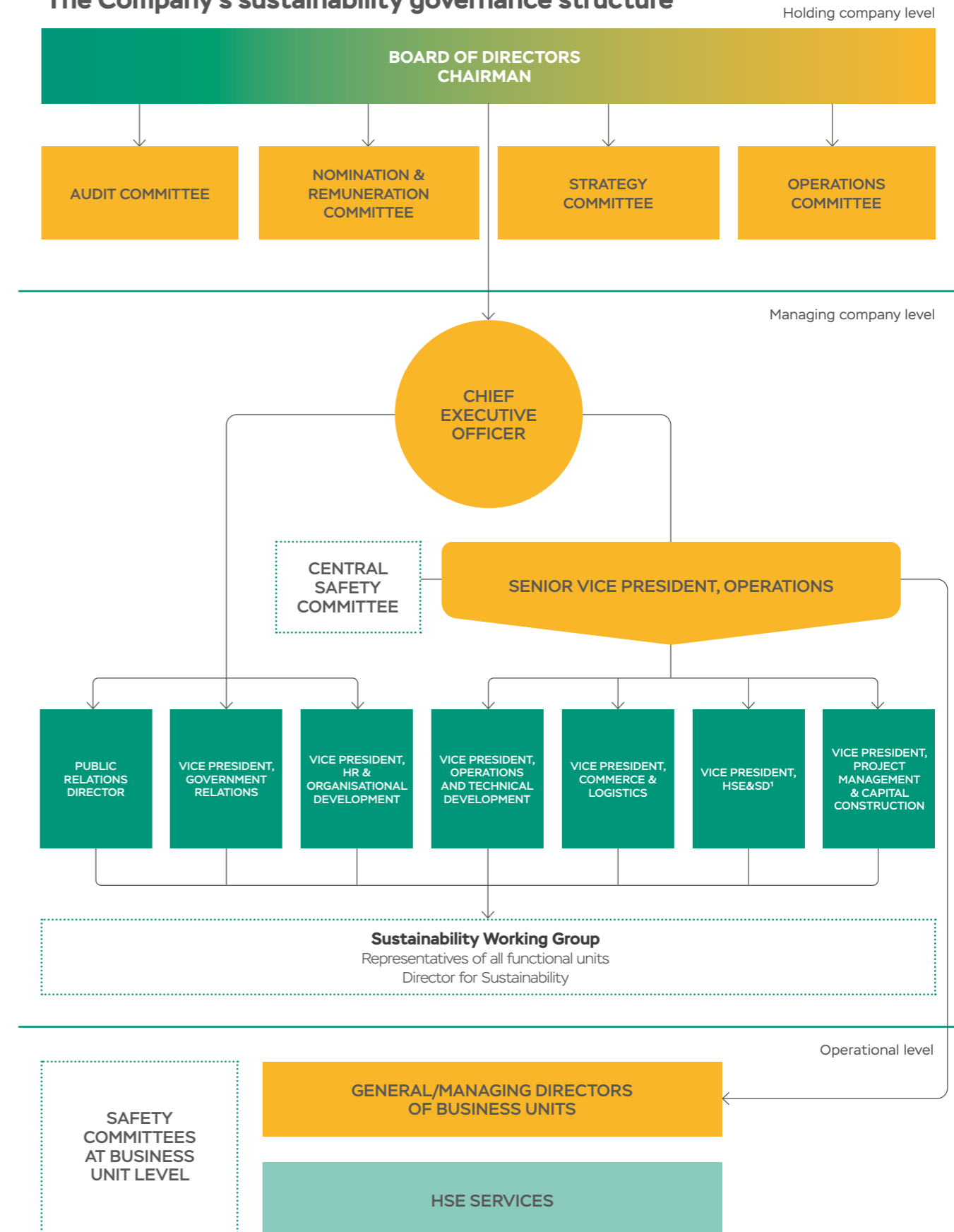
The CEO monitors the development of Polyus' sustainability management efforts and ensures the effective allocation of sustainability related responsibilities among functional divisions. The duties of the Central Safety Committee include timely measures to provide environmental and occupational safety and prevent industrial accidents and diseases.

### Operational level

An integrated HSE management structure is 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 Vice president at Management Company level.

Each business unit has a safety committee that coordinates efforts and supervises the implementation of sustainability initiatives.

## The Company's sustainability governance structure



<sup>1</sup> Appointed in February 2022.

## Our approach to Sustainability

GRI 102-12 · GRI 102-16

# Commitment to UN Global Compact Principles

Participation in international sustainability initiatives is an important area of activity for Polyus. We strive to not only prove ourselves as a reliable partner when it comes to ESG issues, but to also expound the importance of the sustainability agenda for our Company.

In 2019, Polyus officially joined the UN Global Compact initiative, and continues to work actively within this framework. The Principles of the Global Compact directly relate to the material issues determined by the Company.

In 2021, the Company continued to apply the practices and tools of the Global Compact. For example, in December 2021, the UN announced a two-year project "Business and Human Rights: Implementing the UN Guiding Principles on Business and Human Rights in Strategies and Practice for Russian Companies", which includes studies of human rights practices in various countries and a large number of thematic conferences. Polyus has supported this project as the UN Global Compact Network partner, as we appreciate our responsibility to respect human rights along the entire value chain, and we can share our experience and adopted practices in this area.

| Principle   | Area/Section  |
|---|---|
| <b>1</b> Businesses should support and respect the protection of internationally proclaimed human rights.                         |  <b>Human rights</b><br>Ethics and human rights, <a href="#">see page 44</a>      |
| <b>2</b> Businesses should make sure that they are not complicit in human rights abuses.  |   |
| <b>3</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. |  <b>Labor</b><br>Human capital, <a href="#">see page 56</a>                       |
| <b>4</b> Businesses should uphold the elimination of all forms of forced and compulsory labor.                                    |   |
| <b>5</b> Businesses should uphold the effective abolition of child labor.   |   |
| <b>6</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      |   |
| <b>7</b> Businesses should support a precautionary approach to environmental challenges.  |   |
| <b>8</b> Businesses should undertake initiatives to promote greater environmental responsibility.                                 |  <b>Environment</b><br>Environmental stewardship, <a href="#">see page 90</a>   |
| <b>9</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.                      |   |
| <b>10</b> Businesses should work against corruption in all its forms, including extortion and bribery.                            |  <b>Anti-corruption</b><br>Ethics and human rights, <a href="#">see page 44</a> |

GRI 102-12 · GRI 102-13

# Contributing to UN Sustainable Development Goals

## SUSTAINABLE DEVELOPMENT GOALS

Contributing to the goals of global society is a key element within sustainable development, and Polyus is committed to doing its utmost to achieve these goals. We support the United Nations Sustainable Development Goals (SDGs) adopted in 2015 by the UN General Assembly, and regularly assess our performance in accordance with SDGs, align our practices respectively for maximum effectiveness, and identify key areas where we can bring the most positive value. While acknowledging the importance of all 17 SDGs, we give priority to the nine goals where Polyus can have the greatest impact on society. The ESG agenda is strongly integrated into our business strategy to promote a sustainable and resilient future for us all.



### GOAL 3

**Ensure healthy lives and promote well-being for all at all ages**

**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.

#### Our commitment

- Closely monitor the occupational health and safety culture.
- Ensure free access to medical services for employees.

#### 2021 highlights

- Polyus introduced the project STOP.COVID, aimed at reducing the risk of COVID-19, in which the Company continuously monitors the health of its employees, [see page 88](#).
- A new medical care concept, SMARTMed, has been introduced to expand the medical care offered and improve its quality, [see page 87](#).



### GOAL 4

**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

**4.4** By 2030, substantially increase the number of young people and adults that have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

#### Our commitment

- Create and advance professional development opportunities for employees.
- Share our mining industry knowledge and expertise.
- Organize joint programs with schools, colleges and universities.

#### 2021 highlights

- Polyus supported the holding of Olympiads and open educational events in schools in Krasnoyarsk Territory, [see page 69](#).
- Polyus carries out a corporate internship program "Do you know the real value of gold?" for young specialists in the regions of Eastern Siberia and the Russian Far East with the possibility of further employment, [see page 69](#).
- The Company has launched a career portal with detailed information about career opportunities in Polyus for students and specialists, [see page 59](#).

**85%**

RATE OF COVID-19 VACCINATION

**~1,500**

SCHOOLCHILDREN ATTEND CAREER GUIDANCE COUNSELING EVENTS ORGANIZED BY POLYUS

## Our approach to Sustainability

GRI 102-12 · GRI 102-13

# Contributing to UN Sustainable Development Goals (continue)



### GOAL 6

Ensure availability and sustainable management of water and sanitation for all

**6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing releases of hazardous chemicals and materials, halving untreated wastewater levels and substantially increasing recycling and safe reuse globally.

**6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

**Our commitment**

- Reduce impacts on surface water sources by decreasing the water intake volume and improving the efficiency of wastewater treatment.
- Use pit and waste water in closed circulation systems at most Polyus facilities.

**2021 highlights**

- Polyus was the first Russian company to publish its first Water Report with detailed information on water use. Polyus' Water Report has been awarded at various competitions, [see page 96](#).
- The Company expanded the scope of state accreditation of the LenRem laboratory to improve the monitoring of the impact levels of production activities and environmental quality, [see page 95](#).



### GOAL 7

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

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

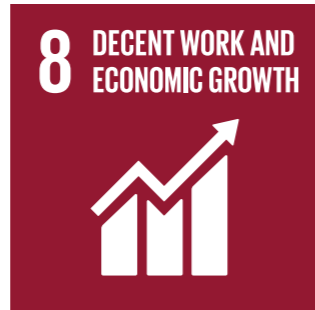
**7.2** By 2030, substantially increase the share of renewable energy in the global energy mix.

**Our commitment**

- Enhance energy efficiency by improving the energy infrastructure in Polyus' regions of operations.

**2021 highlights**

- All Polyus operating assets meet their electricity needs from renewable energy sources by 100%, [see page 112](#).
- Verninskoye has confirmed its ISO 50001 audit procedure, [see page 92](#).



### GOAL 8

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

**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.

**Our commitment**

- Provide employment in our regions of operation by creating high-quality jobs with decent working conditions.
- Respect labor rights and ensure a comfortable working environment for employees and safeguard their health.

**2021 highlights**

- Polyus has conducted its first ever human rights due diligence, [see page 52](#).
- The Company offers a wide system of social benefits aimed at maintaining the health of employees, as well as providing additional assistance to families with children and employees in difficult life situations, [see page 72](#).



### GOAL 9

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

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

**Our commitment**

- Develop and upgrade infrastructure facilities through partnership initiatives with local authorities.

**2021 highlights**

- The Company helped hospitals to purchase medical equipment in its regions of operation, [see page 119](#).
- Polyus sponsored the renovation of the Vitim Cultural and Leisure Center in the Irkutsk Region, [see page 103](#).



### GOAL 12

Ensure sustainable consumption and production patterns

**12.4** By 2020, achieve the environmentally sound management of chemicals and all waste throughout its life cycle, in accordance with agreed international frameworks, and significantly reduce their release into the air, water bodies, and soils to minimize their adverse impacts on human health and the environment.

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

**Our commitment**

- Foster the rational use of natural resources.
- Work with reliable contractors and introduce sustainability principles along the Polyus supply chain.

**2021 highlights**

- All business units have received ISO 14001 and ISO 45001 certificates. Verninskoye also received ISO 50001 accreditation, [see page 92](#).
- Polyus has initiated the monitoring of its tailings facilities for compliance with the requirements of the ICMM Global Industry Standard on Tailings Management, [see page 34](#).



### GOAL 13

Take urgent action to combat climate change and its impacts

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

**Our commitment**

- Facilitate a reduction in greenhouse gas emissions through a continuous transition to renewable energy sources.
- Boost energy efficiency.

**2021 highlights**

- The Company actively works on the elaboration of its Climate Strategy, [see page 110](#).
- Polyus has joined the Climate Governance Initiative Russia (GCI for Boards, former CGI Russia), in partnership with the World Economic Forum's Climate Governance Initiative, [see page 108](#).
- As part of elaborating the Climate Strategy, the Company has performed and disclosed its first Scope 3 GHG emissions assessment, [see page 110](#).



### GOAL 17

Strengthen the means of implementation and revitalize the global partnership for sustainable developments

**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 national and global sustainability initiatives.
- Establish mutually beneficial relations with partners and communities.
- Expand participation in ESG partnership projects with companies and organizations.

**2021 highlights**

- Polyus – along with other companies that acknowledge the importance of strong ESG practices - has signed an agreement to form the ESG Alliance, [see page 35](#).
- Polyus has signed the ICMM open letter on climate change and in this way has strengthened its commitment to achieve carbon neutrality, [see page 109](#).

**93.4%**

WATER RECYCLED AND REUSED

**100%**

OF POLYUS' PURCHASED ELECTRICITY COMES FROM RENEWABLE ENERGY SOURCES<sup>1</sup>

**91.6%**

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS IN 2021

**\$64.2**

MLN ALLOCATED TO SOCIAL SUPPORT ACTIVITIES

**\$14.7**

MLN SPENT ON ENVIRONMENTAL PROTECTION

**37%**

REDUCTION IN CARBON INTENSITY VS 2020

**30**

THE NUMBER OF FORUMS AND CONFERENCES IN WHICH POLYUS TOOK PART

<sup>1</sup> This was primarily achieved through switching electricity supply at the Company's key operating assets to hydropower by signing large-scale power purchase agreements (PPAs) with Russian hydropower producer. To further support the production of renewable energy and account for the remaining volume of our energy requirements not yet directly met by renewables, we purchased green I-REC certificates.



## Our approach to Sustainability

### ICMM membership



Polyus has been a member of the International Council on Mining and Metals since 2015<sup>2</sup>. In partnership with other ICMM member companies we strengthen environmental and social performance and serve as a catalyst for change, enhancing mining's contribution to society. As an ICMM member, Polyus adheres to 10 mining principles, which cover environmental, social, good governance, and transparent reporting requirements.

#### GRI 102-12 · GRI 102-13

##### KEY COLLABORATIVE ACTIVITIES BETWEEN POLYUS AND ICMM

Polyus believes that cooperation and exchanging best mining practices promote sustainability in the industry and help companies achieve success and good performance in their own businesses.

##### GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT

In 2020, Polyus actively supported the ICMM initiative to develop the Global Industry Standard on Tailings Management. In 2021, we focused on implementing the principles of this standard in our business, and the work is being performed in two areas.

On the one hand, the Company, with the assistance of an external consultant, monitors all 12 tailings facilities for compliance with the global standard by completing checklists. Based on the results, we plan to develop an action plan and roadmaps setting out how to best implement the standard in Polyus operations by 2025.

On the other hand, we are endeavoring to boost the quality of tailings management reporting, as one principle of the standard relates to information disclosure. In 2022, the Company will publish a thematic report on tailings management, which will disclose more detailed information on the Company's activities in this area, in accordance with the requirements and principles of the standard. Though we had already prepared an overview of our tailings storage facilities (TSF) in 2019, this will be Polyus' first experience in drawing up detailed reporting related to tailings management, and in the future we expect to enhance our practices and set a trend for other mining industry companies in this regard.

##### OPEN LETTER ON CLIMATE CHANGE

In 2021, the ICMM issued an open letter on climate change. In the letter, ICMM members make a collective commitment to achieve carbon neutrality by 2050. The letter also discusses setting near net targets by 2023, as well as elaborating a methodology for calculating Scope 3 emissions. Polyus is one of the signatories to the letter. Our commitment in this regard is fully in keeping with our long-term approach to sustainable development and adapting to global climate change. Signing the letter is not just a formality: it is a deliberate act to signal fully embracing a responsibility to meet our climate change goals in both the short and long term and to show our involvement in the joint collective position of the third part of companies representing mining industry.

As part of working with the ICMM on climate change, Polyus is elaborating its own Climate Strategy based on international standards and practices, including ICMM recommendations. The strategy is governed by an assessment of climate risks at the level of the Company's business units. In line with the strategy, Polyus is also developing Scope 1 and Scope 2 emissions reduction initiatives, as well as a Scope 3 emissions assessment.

**For more information about the open letter on climate change, see the "Energy and Climate change" section, p 106.**

##### PROMOTING THE CONCEPT OF ICMM MINING PRINCIPLES

The ESG agenda is rapidly spreading in the mining sector. In view of this trend, Polyus has taken on the voluntary function of being an ICMM ambassador and instigating broad educational efforts related to the concept, principles, and tools of the ICMM.

In 2021, we hosted a number of open seminars together with ICMM representatives in order to share ICMM expertise on sustainable development issues. Through these meetings we aim to highlight the importance of the sustainability agenda, provide an overview of current trends, and share our experiences and practices.

##### ICMM GUIDANCE: HANDLING AND RESOLVING LOCAL LEVEL CONCERNS AND GRIEVANCES: HUMAN RIGHTS IN THE MINING AND METALS SECTOR

As a longstanding ICMM member, Polyus recognizes the importance of engaging in meaningful stakeholder engagement, respecting human rights and promoting the prosperity of local communities. In 2021, we supported the publication of the Russian edition of the ICMM guidance **Handling and Resolving Local level Concerns and Grievances: Human Rights in the Mining and Metals Sector**. This guidance shares knowledge and practical tools on how to establish effective mechanisms to systematically handle and resolve community concerns or grievances.

##### IMPLEMENTING ICMM PERFORMANCE EXPECTATIONS

To fulfill its obligations as an ICMM member Polyus conducted a self-assessment of its implementation of ICMM Performance Expectations at a corporate level in 2021. The evaluation results showed that the Company's activities comply or partially comply with 29 principles out of 38.

### Commitment to external initiatives

#### GRI 102-12 · GRI 102-13

Polyus recognizes that participation in various global and national initiatives facilitates both partnership relations with peers and community representatives and knowledge sharing, and as a result improves the level of mining industry development, thereby making it more sustainable and allowing meaningful contributions to be made to both society and the environment.

In addition to ICMM membership and being strongly committed to the UN Global Compact, the Company actively works with a wide range of other industrial associations, including:

- Gornoye delo ('Mining' – a national association that promotes the mining industry);
- The National Association for Subsoil Examination (a non-profit partnership);
- Association of Managers;
- The Russian Union of Gold Producers (a non-profit organization);
- Association 'Community of Energy Consumers';
- The Russian Union of Industrialists and Entrepreneurs – RSPP (an independent, non-governmental organization).

Polyus – along with other companies that acknowledge the importance of strong ESG practices – has signed an agreement to form the ESG Alliance. The alliance is expected to provide a robust platform for dialogue between businesses, government agencies, and broader society, with a view to facilitating the implementation of sustainability principles within Russian businesses. We are looking forward to making meaningful contributions to the ESG Alliance.

### Stakeholder engagement

#### GRI 102-21 · GRI 102-29

Close relationships with stakeholders are an important element in the development of the Company and its stakeholders. Conducted in the right way, these relationships help the Company know how best to respond to challenges and future problems and how to earn trust. The Company's senior management listens carefully to the opinions of stakeholders regarding Polyus' activities, including those in the area of ESG. The successful results of our activities and open dialogue with stakeholders are reflected in the improvement of the Company's ESG ratings.

Polyus' stakeholders are persons or entities whose actions, interests, or future prospects may be affected by or have a potential impact on the Company's activities. To provide a bespoke and suitable approach for each of our stakeholders we define stakeholder groups and determine 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.

To regulate the main aspects of stakeholder engagement, Polyus has a Stakeholder Engagement Policy. The policy covers the management approach to stakeholder engagement and developing engagement strategies. According to the policy, stakeholders are defined based on our

understanding of the extent to which our activities affect each group and the extent to which their opinions influence our decision-making. Stakeholders are identified based on our understanding of the extent to which our Company's activities affect each group and the extent to which their views influence our decision-making.

In addition to this document, Polyus' system of effective dialogue with stakeholders comprises various interactive tools and mechanisms accompanied by meetings and consultations. Corporate accounts in social networks are also actively used for interaction with stakeholders.

We operate a 24-hour hotline (8 800 301 54 44, +7 495 662 40 85), confidential mailboxes installed in business units, and an electronic mailbox ([info@polyus.com](mailto:info@polyus.com))

A separate mechanism for obtaining feedback from the workforce was the annual "Direct Line" with the CEO, managing directors and senior management. In the reporting year, these meetings were held in all business units in streaming mode.

#### Case study

##### CAPITAL MARKETS DAY

In June 2021, Polyus hosted the **Capital Markets Day** for investors and analysts. The event was live streamed via a webcast.

During the Capital Markets Day, Polyus' senior management provided an update on the Company's existing operations and development projects and the Company's financial performance. The Company laid out production guidance for the next three years and discussed the much-anticipated Sukhoi Log deposit in Siberia.

Besides that, senior management noted the Company is implementing important ESG projects such as its switch to renewable electricity, to make sure that Polyus is a sustainable business managed in accordance with the best corporate governance standards and creating value for all our stakeholders.

To maintain investor awareness, the Company continues to interact with investors on ESG issues.

##### Lesson learned

Such events, which feature the Company's senior management, provide an additional opportunity for stakeholders to discuss topical issues with the Company's management and get answers to the most concerning questions.



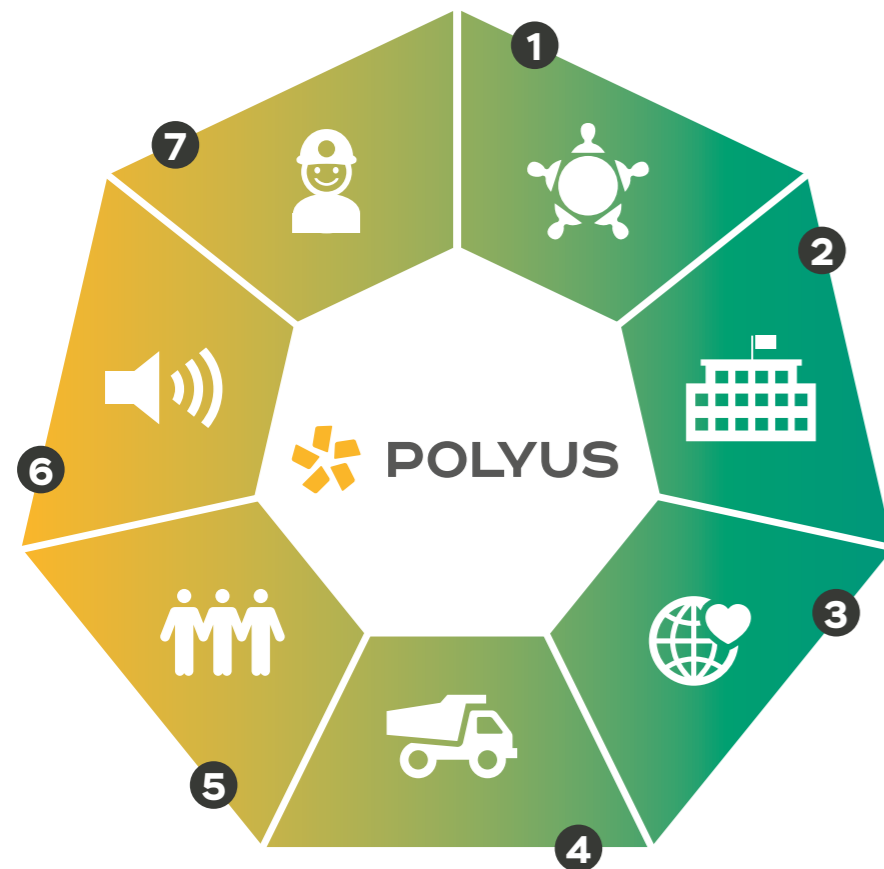
<sup>1</sup> Stakeholder engagement.

<sup>2</sup> ICMM and Polyus suspended their cooperation in March 2022.

## Our approach to Sustainability

GRI 102-40 · GRI 102-42 · GRI 102-43 · GRI 102-44

## Stakeholder engagement (continue)



### 1 SHAREHOLDERS, LENDERS, BONDHOLDERS

#### Value of engagement

To demonstrate a commitment to and generate value for our shareholders.

#### 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
- Access via the Company's [website](#)
- Newsletters

#### Designated responsibility owner within the Company

- Board of Directors
- Senior management
- Investor relations function

#### Key events in 2021

- Interaction with MSCI, SAM and Sustainalytics
- Hosting a Capital Markets Day

#### Learn more

[Page 35, Polyus website](#)

### 2 GOVERNMENT AND REGULATORS

#### Value of engagement

To comply with regulatory requirements and obtain the required authorizations, grants, and licenses.

#### Key stakeholder concerns

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

#### Engagement mechanisms

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

#### Designated responsibility owner within the Company

- Government relations function
- Public relations function

#### Key events in 2021

- Response to COVID-19
- Working on social and economic projects as part of existing cooperation agreements between Polyus and governments in our regions of operation
- Signing a cooperation agreement with the Siberian Federal University
- Participation in the Krasnoyarsk Economic Forum
- Participation in the Eastern Economic Forum

#### Learn more

[Page 118, Polyus website](#)

### 3 NGOs AND INDUSTRY ORGANIZATIONS

#### Value of engagement

To establish partnerships with and proximity to experts from various areas and with diverse expertise. To promote industry development.

#### Key stakeholder concerns

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

#### Engagement mechanisms

- Regular interactions with related national and international organizations
- Participation in committees and working groups of industry organizations

#### Designated responsibility owner within the Company

- Public relations function
- Government relations function
- Sustainable development function

#### Key events in 2021

- Participation in World Economic Forum
- Joining the National ESG Alliance
- Participation in ICMM meetings
- Establishing the Fund of Industrial and Infrastructure Technologies

#### Learn more

[Page 34, Polyus website](#)

### 4 SUPPLIERS

#### Value of engagement

To translate ESG expectations from suppliers and create sustainable supply chains.

#### Key stakeholder concerns

- Supply agreements
- Payment processes
- Transparency in supplier selection

#### Engagement mechanisms

- Tenders
- Contractual relationships
- Workshops and conferences

#### Designated responsibility owner within the Company

- Sales and logistics function

#### Key events in 2021

- Adoption of the Supplier Code of Conduct

#### Learn more

[Page 133, Polyus website](#)

### 5 LOCAL AND INDIGENOUS COMMUNITIES

#### Value of engagement

To understand the expectations of our stakeholders about Polyus' key projects and reduce negative impact on local 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
- Social media channels (VK, YouTube)

#### Designated responsibility owner within the Company

- Government relations function
- Public relations function

#### Key events in 2021

- Response to COVID-19
- Conducting the 6<sup>th</sup> Competition for theater groups "Polyus. Golden Season", organizing and holding the festivals "Territory. Irkutsk" and "Territory. Krasnoyarsk" in the Irkutsk region<sup>1</sup>

#### Learn more

[Page 114, Polyus website](#)

### 6 MEDIA

#### Value of engagement

To promote transparency in our relationships with stakeholders and increase their awareness of our projects.

#### Key stakeholder concerns

- Broad range of issues reflecting all stakeholder interests

#### Engagement mechanisms

- Press releases, briefings
- Presentations and interviews
- Responses to requests in the form of comments
- Press tours to the Company's enterprises and events

#### Designated responsibility owner within the Company

- Public relations function
- Investor relations function

#### Key events in 2021

- Increasing the number of mentions in the media

#### Learn more

[Page 61, Polyus website](#)

### 7 EMPLOYEES AND CONTRACTORS

#### Value of engagement

To increase loyalty and production performance while ensuring health, safety, and environmental protection.

#### Key stakeholder concerns

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

#### Engagement mechanisms

- Direct communications with employees via immediate supervisors and management
- Territory of Polyus corporate newspaper
- Internal web portal
- "Direct Line" with the CEO and managing directors
- Site-based newsletters
- Hotline
- Confidential feedback boxes
- Corporate sports and cultural events, professional competitions
- Volunteer projects
- Employee surveys
- Contractual relationships
- Social media channels (VK, YouTube)

#### Designated responsibility owner within the Company

- Human resources and organizational development function
- Public relations function
- HS function<sup>2</sup>
- Operations and technical function

#### Key events in 2021

- COVID-19 vaccination program
- Launching the Polyus for Us and Company Values Awareness campaigns
- Introduction of an independent hotline
- Conducting online meetings of senior management with the employees

#### Learn more

[Page 56, Polyus website](#)

<sup>1</sup> The festival is organized with the support of Polyus. During the festival performances, exhibitions, and other public events were organized in Irkutsk and Krasnoyarsk.

<sup>2</sup> Health, Safety, Environment and Sustainability function.

# Our material issues

## Material issues

Polyus endeavors to ensure progress in all areas of its business. We listen carefully to our internal and external stakeholders when prioritizing material issues. It is important that our sustainability practices help us contribute to society as a whole, and, at the same time, we seek to improve our position in the ESG rankings. We are committed to constantly moving forward and setting even more ambitious goals for the future.

| Ethics and human rights   | Human capital  | Health and safety  | Environmental stewardship   | Energy and climate change   | Local communities  |
|---|--|--|---|---|--|
| <b>UN Sustainable Development Goals</b>   |  |  |   |   |  |
|   | <br>   |  | <br><br>  | <br>  |  |
| <b>ICMM Principles</b>  |  |  |   |   |  |
| <br><br>  | <br>   | <br>   | <br><br>  |   | <br>   |
| <b>ICMM Position Statements</b>   |  |  |   |   |  |
| <ul style="list-style-type: none"> <li>Mineral revenues</li> <li>Partnerships for development</li> </ul>  |  |  | <ul style="list-style-type: none"> <li>Water stewardship</li> <li>Tailings governance</li> <li>Protected areas</li> </ul>   | <ul style="list-style-type: none"> <li>Climate change</li> </ul>  | <ul style="list-style-type: none"> <li>Indigenous peoples</li> </ul>   |
| <b>UN GC Principles</b>   |  |  |   |   |  |
| <ul style="list-style-type: none"> <li>№ 1-2 Human rights</li> <li>№ 10 Anti-corruption</li> </ul>  | <ul style="list-style-type: none"> <li>№ 3-6 Labor</li> </ul>  |  | <ul style="list-style-type: none"> <li>№ 7-9 Environment</li> </ul>   |   |  |
| <b>Global Reporting Initiative Standards</b>  |  |  |   |   |  |
| <ul style="list-style-type: none"> <li>201: Economic performance</li> <li>205: Anti-corruption</li> <li>207: Tax (new)</li> <li>405: Diversity and equal opportunity</li> <li>415: Public policy</li> </ul> | <ul style="list-style-type: none"> <li>202: Market presence</li> <li>401: Employment</li> <li>404: Training and education</li> <li>407: Freedom of association and collective bargaining</li> <li>419: Socioeconomic compliance</li> </ul> | <ul style="list-style-type: none"> <li>403: Occupational health and safety</li> </ul>  | <ul style="list-style-type: none"> <li>303: Water</li> <li>304: Biodiversity</li> <li>305: Emissions</li> <li>306: Effluents and waste</li> <li>307: Environmental compliance</li> </ul>                        | <ul style="list-style-type: none"> <li>302: Energy</li> <li>305: Emissions</li> </ul>                     | <ul style="list-style-type: none"> <li>203: Indirect economic impacts</li> <li>204: Procurement practices</li> <li>413: Local communities</li> </ul>   |
| <b>Impact on ESG score (increase in S&amp;P rating in 2021)</b>   |  |  |   |   |  |
| <ul style="list-style-type: none"> <li>Mild improvement of ESG score</li> <li>Code of business conduct</li> <li>Corporate governance</li> </ul>   | <ul style="list-style-type: none"> <li>Significant improvement of ESG score</li> <li>Human capital development</li> <li>Mild improvement of ESG score</li> <li>Talent attraction and retention</li> </ul>                                  | <ul style="list-style-type: none"> <li>Significant improvement of ESG score</li> <li>Occupational health and safety</li> </ul> | <ul style="list-style-type: none"> <li>Significant improvement of ESG score</li> <li>Water related risks</li> <li>Mild improvement of ESG score</li> <li>Environmental policy and management systems</li> </ul> | <ul style="list-style-type: none"> <li>Mild improvement of ESG score</li> <li>Climate strategy</li> </ul> | <ul style="list-style-type: none"> <li>Significant improvement of ESG score</li> <li>Supply chain management</li> <li>Mild improvement of ESG score</li> <li>Corporate citizenship and philanthropy</li> </ul> |
| <b>Page of Report</b>   |  |  |   |   |  |
| <b>44</b>   | <b>56</b>  | <b>76</b>  | <b>90</b>   | <b>106</b>  | <b>114</b>   |

## Our material issues

### Digitalization

In developing sustainable practices, we ensure the implementation of digital technologies into our core activities. Despite the challenging years of the COVID-19 pandemic, Polyus continues to increase the digitalization of processes and to develop an effective organizational structure for comprehensive digital transformation.

There are several important reasons behind our commitment to transformation. Firstly, digitalization as a modern approach to sustainable development mitigates environmental, technogenic and operational risks through the use of intelligent diagnostic and control systems, offering condition-based monitoring and predictive analytics.

Secondly, we aim to improve operational efficiency and the digitalization of end process decision-making, as individuals can analyze no more than 1% of available data. Nevertheless, Polyus continues to support traditional decision-making analytics and develop advanced data science.

The reporting period was marked by the Company's business units beginning to apply the Manufacturing Execution System (MES) production process management system, implement reliability management using automated systems for remote condition-based monitoring of equipment and develop a functional strategy of maintenance and repair of buildings. In addition, the Laboratory Information Management System (LIMS) is currently operating in Polyus' laboratories.

In 2022, Polyus plans to continue the implementation of digitalization projects in previously identified priority areas, as well as to form functional strategies for the purpose of systematic planning of further digital transformation.

#### Case study

##### PRODUCTION PROCESS MANAGEMENT

At Polyus Verninskoye, the project to implement the Manufacturing Execution System (MES) has been completed. The MES system facilitates production process management by synchronization, coordination, analysis and optimization of production output at a workshop level and may be replicated throughout the Company as well.

The MES implementation project provides a wide range of opportunities for the digitalization of the Company's production processes, including:

- technological monitoring;
- calendar accounting of equipment operation statuses;
- the movement of materials;
- accounting for drilling and blasting operations;
- calculation of production and technical indicators.

The project is complex and was implemented in several stages. The first stage covered the development of production dispatching functionality.

At the second stage, the processes for storing and gathering production data were optimized. Within this framework, production accounting was launched in a pilot mode in 2021 in addition to the dispatching and reporting system. In 2023, the MES project will likely be replicated to the Company's other business units.

In addition, Polyus is implementing a special tool for deep data analysis, which has already shown its effectiveness, including in technological processes.

MES provides data gathering throughout the technological chain and creates preconditions for the use of a digital twin of the process. The digital twin, which accurately reproduces the physical process, helps to optimize the efficiency of activities carried out and avoid possible harm to people and the environment.

##### Lesson learned

The expansion of digitalization practices in all business units primarily covers the technological aspect which, in turn, improves operational efficiency and makes it possible to track the production chain, monitor product quality, analyze resource and asset utilization, and standardize information flows and processes.



#### Case study

##### REMOTE MONITORING OF EQUIPMENT CONDITION

As part of our digitalization transformation, we pay significant attention to the possible automation of our production processes. In 2021, we put automated systems for diagnostic monitoring (ASDM) into operation, which facilitate data gathering and monitoring of the technical condition of critical mill equipment.

The first business units to receive these systems were Polyus Krasnoyarsk and Polyus Magadan. Moreover, we began to develop working and operational documentation on the systems at Kuranakh and Verninskoye. The launch of their industrial operation in the Company's business units is planned for 2023.

##### Lesson learned

Thanks to ASDM, all Polyus units are fully prepared to prevent and avoid a number of different emergency situations caused by industrial incidents, and thus mitigate various risks for sustainable development.



<sup>1</sup> Decision-making.

<sup>2</sup> Health and safety.

<sup>3</sup> Responsible production.

# Ethics and human rights

GRI 102-12 · GRI 205-2 · GRI 205-3 · GRI 406-1

# Ethics and human rights



### Material topics

- Human rights
- Anti-corruption
- Business ethics

### Key events

- Completion of human rights due diligence
- Elaboration of the Risk Management Policy
- Introduction of a centralized Polyus hotline

### UN Sustainable Development Goals



### ICMM sustainability principles



<sup>1</sup> Ethical business.  
<sup>2</sup> Human rights.  
<sup>3</sup> Stakeholder engagement.

### 2021 PERFORMANCE AGAINST GOALS

| Goal   | Status   | Summary of progress in 2021          |
|--|----------|--------------------------------------|
| Elaborating an automated computer module that can manage conflicts of interest and help prepare documents for the review of potential situations | On track | Preparing the module for launch      |
| Automation of counterparty verifications   | Achieved | The automated system was implemented |
| Improve the administration of the hotline so that it deals with submissions more effectively   | Achieved | All hotline processes were automated |

### Distribution of responsibilities



### EMPLOYEES UNDERWENT ANTI-CORRUPTION COMPLIANCE TRAINING

2,257

### CASES OF CORRUPTION

Zero

### INCIDENTS OF DISCRIMINATION

Zero

### Related documents

#### INTERNAL

- Code of Conduct
- Anti-corruption Compliance Policy
- Risk Management Policy
- Human Rights Policy
- Stakeholder Engagement Policy
- Standard for Engagement with Indigenous Peoples
- Supplier Code of Conduct

#### EXTERNAL

- Constitution of the Russian Federation
- UN Global Compact initiative
- Universal Declaration on Human Rights
- United Nations Guiding Principles on Business and Human Rights
- International Labor Organization's Declaration on the 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
- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights

## Ethics and human rights

### Management approach

#### GRI 103

The Company is aware of the significant influence it has on its stakeholders through its interactions, and thus focuses on the implementation and continuous development of responsible business practices. These principles encompass intolerance towards corruption, openness and transparency in communications, and respect for the rights of all our external and internal stakeholders.

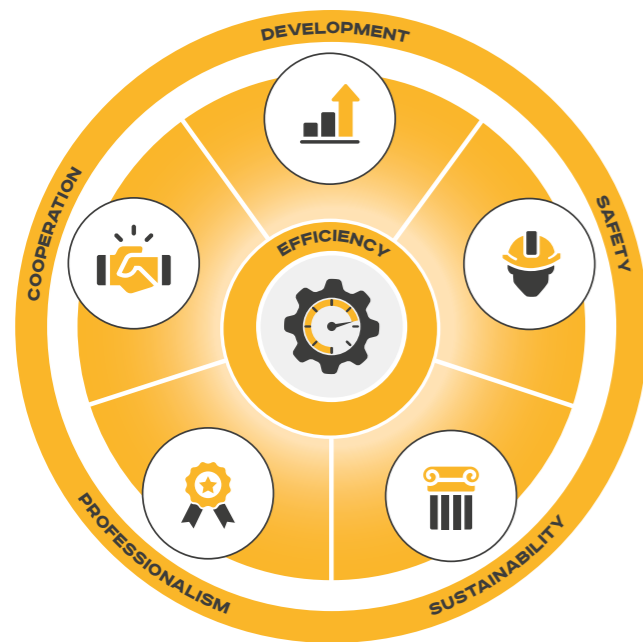
Compliance with the highest standards of conducting business is a priority for Polyus, and strict adherence to the ethical principles of conduct set forth in the policies and regulations of the Company is mandatory for all Polyus group employees.

Our Code of Conduct is one of the fundamental documents that supports our global goals and daily work, and is based on the values of efficiency, professionalism, cooperation, development, safety, and sustainability.

Polyus' commitment to respect human rights is enshrined in the Company's Code of Conduct and Human Rights Policy and is adhered to across the Company, from the Board of Directors to all employees.

The Company has also formulated various corporate values that are integrated into key documents on ethics and human rights. These values determine the correctness of our actions as well as the standards to which we aspire.

#### POLYUS CORPORATE VALUES



### Ethics and Business Conduct

The Company, following the best practices, complies with high standards of ethical business conduct. Polyus takes into account the views of stakeholders in the field of zero tolerance for corruption and bribery and also welcomes this approach throughout the value chain. In the event of illegal actions, Polyus takes strict measures to eliminate them and prevent their implementation in the future. Employees of all business units must adhere to the ethical principles of conduct set out in the policies and regulations of the Company.

One of the Company's main documents in this area is the Code of Corporate Ethics. The Code is necessary for a common understanding of the Company's global goals in the field of fair business conduct. It also reinforces the corporate values of the Company to employees.

#### Case study

##### POLYUS FOR US AND COMPANY VALUES AWARENESS CAMPAIGNS

In 2021, the Polyus for Us campaign was launched in order for employees to get more acquainted with the corporate life of the Company. The campaign consists of the production of videos, the publication of newspaper articles, and interviews covering corporate activities in the Company. In addition, staff meetings were held, where questions were discussed and the most pressing topics addressed.

The most popular questions were:

- What are the goals of business units?
- How does Polyus improve the lives of its employees?
- How has voluntary health insurance changed?

The Company Values campaign was launched to raise awareness among employees and introduce Polyus corporate values. In addition to the introductory film, a more detailed video explaining each value of the Company was made. A remote training course on corporate values and code of conduct was included into each employee mandatory training schedule. This course is based on case studies and is aimed at practicing behavior scenarios under different situations.

#### Lesson learned

High employee awareness helps to increase their involvement in the Company's development. Employees can be actively involved in the corporate agenda using various tools. These campaigns are effective ways to ensure transparency and engage employees.



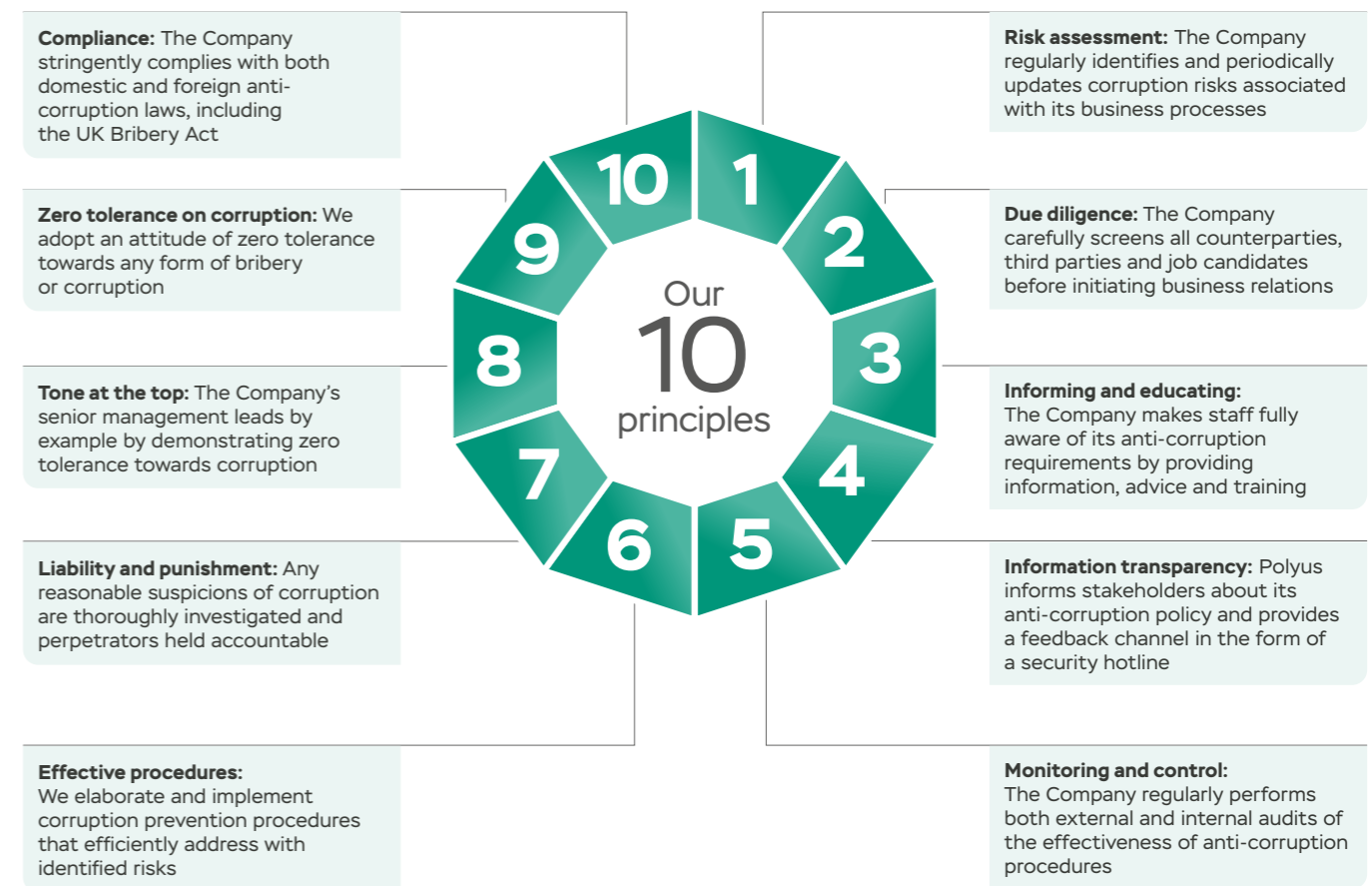
We actively encourage our stakeholders to adopt a stance of zero tolerance towards corruption and bribery. The Company endeavors to prevent and eliminate the consequences of misconduct whenever it occurs. Our Supplier Code of Conduct, developed in 2021, describes how Polyus suppliers shall ensure complete respect for all human rights and full compliance with all applicable laws and industry standards on labor conditions.

### Anti-corruption compliance

#### GRI 102-16

In its day-to-day operations Polyus is guided by high ethical standards, business transparency, and zero tolerance towards any form or manifestation of corruption. The Company engages in targeted work to prevent and counteract corruption and fraud.

Our anti-corruption strategy is built on 10 anti-corruption principles. Compliance with these ensures that the Company not only operates effectively, but that its future is built on the principles of sustainable development.



<sup>1</sup> Ethical business.

# Ethics and human rights

## Anti-corruption compliance (continue)

### Anti-corruption management system

GRI 102-25 · GRI 205-2

The Company has a corruption compliance risk management system in place, and the Polyus Anti-corruption Policy forms part of this. This system covers all Company levels and assigns relevant areas of responsibility to each authorized person or body.

The Anti-corruption Compliance Policy's requirements apply to all Company employees. In order to implement our anti-corruption plans and goals more effectively in future, the Company has demarcated a clear distribution of responsibilities and tasks among employees, starting at the top.

Polyus is striving to improve its anti-corruption system. In 2021 we have centralized the system of processing hotline calls referring to corruption, safety and corporate ethics. Calls and queries are processed 24/7 by the SSC contact center.

Several compliance solutions and workflows have been integrated into a single platform called the Compliance Cockpit. This tool brings together the most important compliance aspects in risky areas – the gifts policy, entertainment expenses, and participation in various events, as well as the communication system for declaring and obtaining approvals on issues related to conflicts of interest. At the start of 2022, it is planned to begin implementing and distributing the tool within the Company.

All purchasing interactions with counterparties are carried out through the automated system. Through this tool contractors confirm that they have an anti-corruption policy, and relevant procedures and officers in place.

#### ANTI-CORRUPTION MANAGEMENT SYSTEM

| CEO   |
|---|
| <ul style="list-style-type: none"> <li>Defines the strategic directions of the anti-corruption system</li> <li>Ensures that resources are allocated to implement anticorruption compliance</li> <li>Approves internal documents on anti-corruption</li> </ul>   |
| Authorised person   |
| <ul style="list-style-type: none"> <li>Monitors actions taken as part of the Company's anti-corruption governance and policy</li> <li>Informs and consults with the Company's employees on anti-corruption matters</li> </ul>   |
| Anti-corruption department  |
| <ul style="list-style-type: none"> <li>Elaborates internal documents and practical measures to combat corruption</li> <li>Analyzes corruption risks</li> <li>Monitors current legislation</li> <li>Ensures anti-corruption interaction among the Company's divisions, employees, and third parties</li> </ul> |
| Internal control and audit department   |
| <ul style="list-style-type: none"> <li>Analyzes the results of risk management activities</li> <li>Provides support to higher-level authorized persons during the risk assessment process</li> </ul>  |
| Structural departments for employee recruitment and development   |
| <ul style="list-style-type: none"> <li>Lay on trainings for employees on the principles of the Anti-Corruption Policy</li> <li>Approve candidates for each job in order to early identify corruption risks</li> </ul>   |

### Anti-corruption risks

GRI 205-1

Polyus regularly assesses corruption risks within the Company. Assessments cover all the Company's business units. Anti-corruption and anti-fraud risks are still among the top risks within Polyus. In 2021, an annual reassessment of risks was performed. Based on the results, the Risk Passport was updated; and four risk factors were added:

- discrepancies between the Company's activities and applicable law; untimely responses to changes in current legislation; the violation and non-fulfillment of internal documents by Company employees;
- the Company's failure to prevent corrupt acts committed on its behalf or in its interests, or the Company's criminal prosecution of related parties for violating applicable extraterritorial law;
- abuses and intra-corporate fraud;
- conflicts of interest.

The risk management system covers these risk factors (see 24 page for more information). A number of measures and actions to mitigate these risks have been developed, and a plan containing the deadlines for implementing key activities has already been formulated and responsible people designated.

In 2021, a transformation took place within the Company's risk management system. The regulatory part underwent changes: an internal Risk Management Policy was elaborated, and its introduction will facilitate the further development of the corporate risk management system. Minor corrective actions will be introduced based on changes in the global structure of risk management.

### Results of anti-corruption activities

In 2021, we successfully carried out our anti-corruption workplan: all strategic tasks and initiatives were completed on time, and the results of our activities were greatly appreciated by the Audit Committee.

In 2021, following the results of the implementation of preventive measures taken in 2020:

- the Company avoided unethical practices and prevented violations;
- zero cases of corruption were identified;
- procurement plans were not violated.

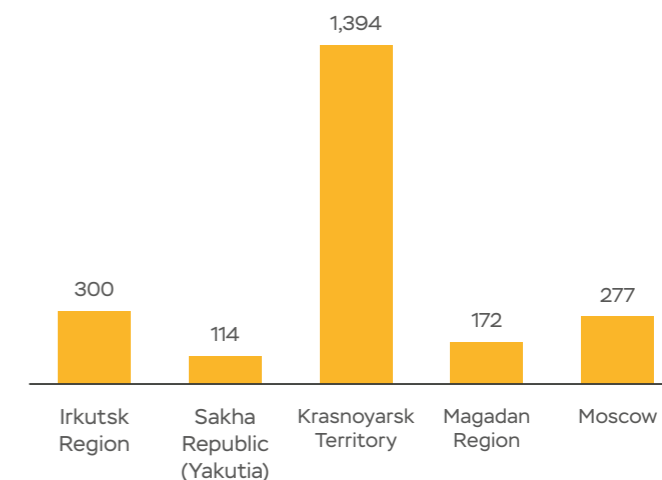
### Anti-corruption compliance education

GRI 205-2

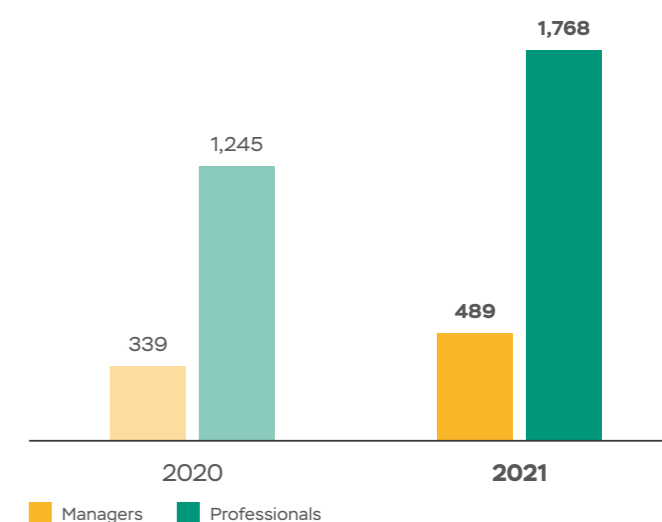
In 2021, work continued in the area of anti-corruption training. The corporate remote learning course is run by the HR department of the Company. All Company employees are connected to the training system, including new hires. Once a quarter, information on the number of connected and trained employees is requested, and the results are provided to the Company's management in the form of a quarterly report on raising employee awareness about the anti-corruption training.

The second type of educational activity was face-to-face training on anti-corruption issues (1,452 face-to-face events in the first nine months of 2021 were held in the Company). In the Management Company, these activities take place at the induction course stage, which is provided to all new employees. The Management Company also organizes a course for all new employees, which draws attention to the Anti-corruption Policy and how to adhere to it. In addition, the practice of face-to-face conversations between Compliance Officers and new employees is being implemented.

NUMBER OF EMPLOYEES THAT RECEIVED ANTI-CORRUPTION TRAINING, BY REGION<sup>1</sup>



NUMBER OF EMPLOYEES THAT RECEIVED ANTI-CORRUPTION TRAINING, BY CATEGORY<sup>2</sup>



<sup>1</sup> Percentage of employees that received anti-corruption training, by region: Irkutsk Region – 6%, Sakha Republic (Yakutia) – 5%, Krasnoyarsk Territory – 14%, Magadan Region – 6%, Moscow – 26%.

<sup>2</sup> In 2021, 100% of our target audience was covered by online anti-corruption training.

# Ethics and human rights

## Human rights

Polyus respects human rights and seeks to create a working environment that nurtures comfortable working conditions and career growth for all employees. In its activities, the Company does not tolerate human rights violations related to discrimination based on gender, age, religion, race, ethnicity, physical traits, or identity, or any other form of discrimination. We are committed to creating and supporting a work environment that is free from discrimination of any kind. All work-related decisions on current and potential employees are made based only on their professional skills and qualities, experience, and abilities. The principles and values of human rights are enshrined within our Company.

In addition, we strive to ensure that contractors, suppliers, and other business partners are equally aware about the topic of human rights, and the Company is committed to informing them about the requirements of our policy in this area. Our Supplier Code of Conduct states that our suppliers and contractors must ensure full respect for the human rights of their employees – to treat them with dignity, fairness and without any discrimination. We encourage all our business partners to follow the Human Rights Policy and the Supplier Code of Conduct.

### Human Rights Policy

GRI 102-16

Our Human Rights Policy covers our approach to personnel management, working conditions, and the work of the Compliance function.

Our Human Rights Policy complements legal norms governing the performance of the Polyus Security Department. The Company values the high level of professionalism of compliance department staff, which is ensured by the careful selection and training of staff, and is guided by norms embedded in Polyus corporate documents and internal regulations.

The Company's commitments in this area are complemented by principles which are enshrined in the Human Rights Policy.

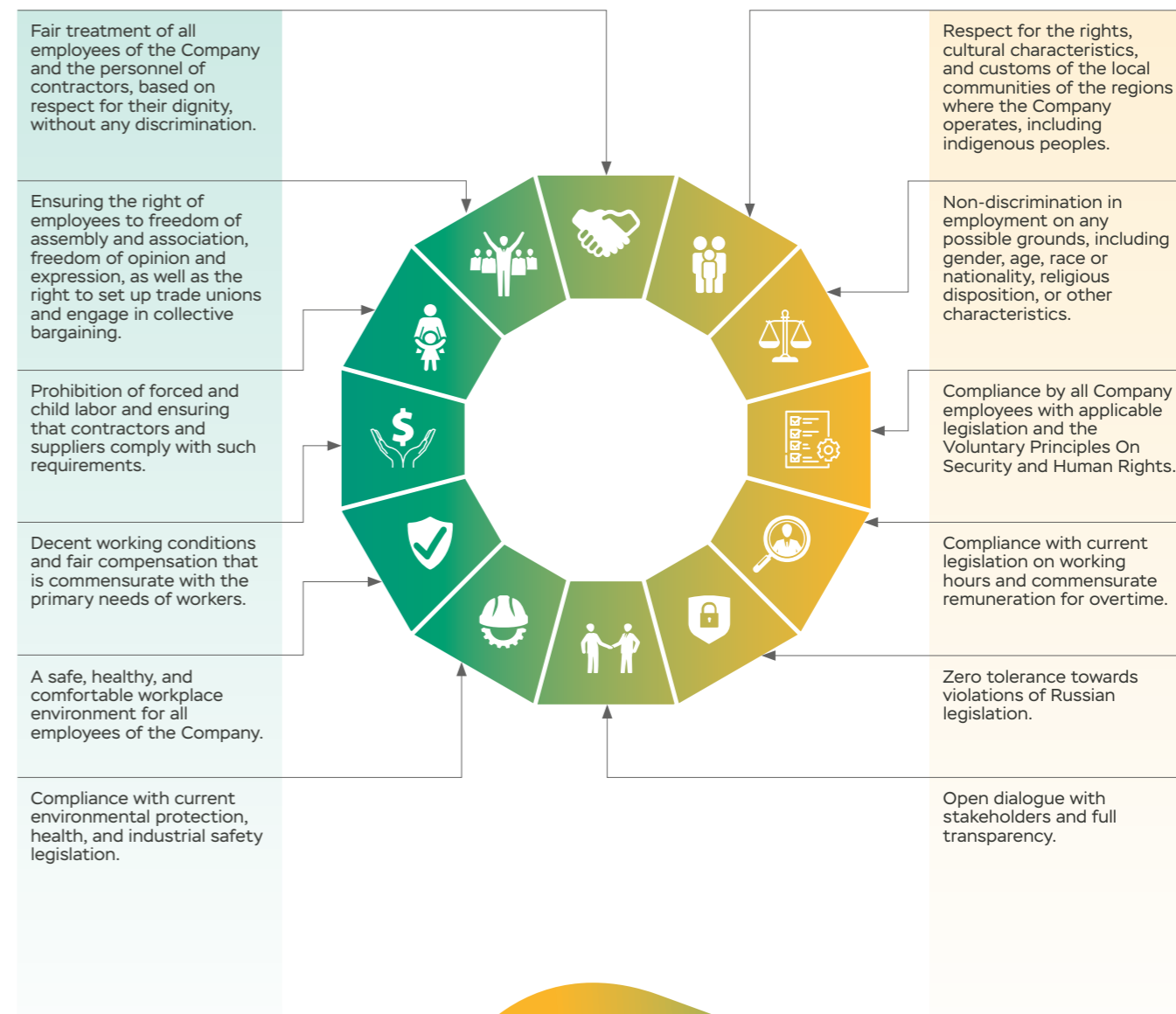
In order to train the Company's employees on the principles of the Human Rights Policy, we have created an online course on the provisions of the document. The course encompasses both theoretical and practical components.

An important tool in the identification and management of human rights risks is feedback gathered from our stakeholders through specialized channels and methods. Polyus makes sure that it responds promptly to violations and replies to all requests related to the safeguarding of human rights.

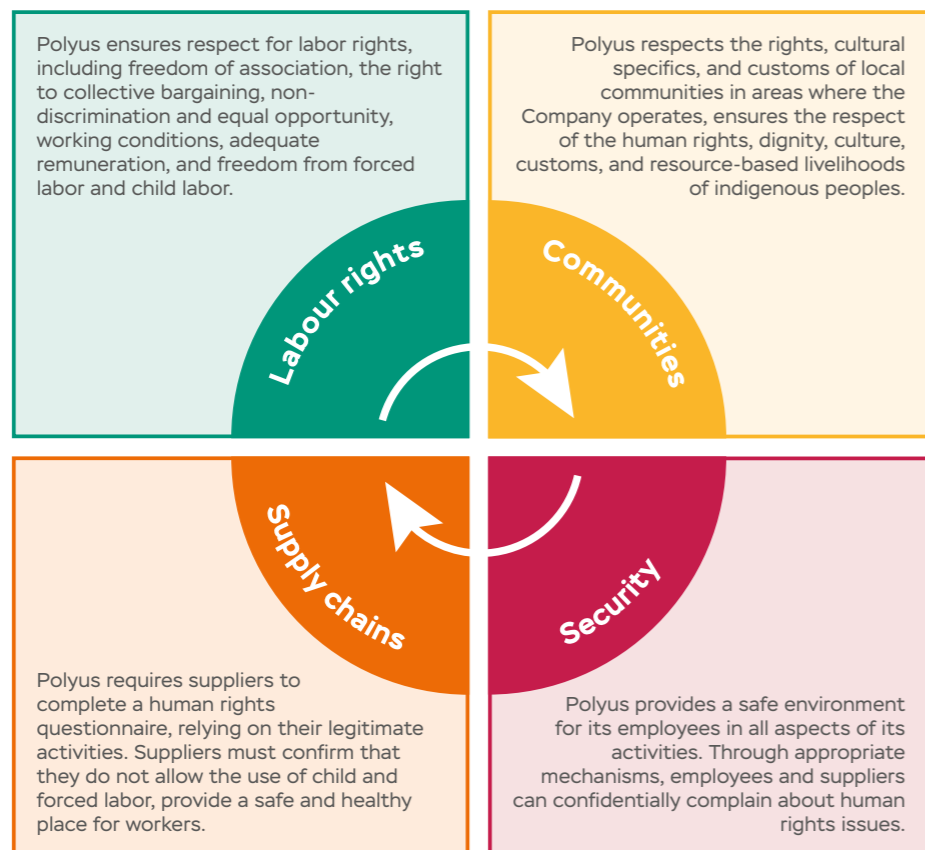
In 2021, Polyus conducted a thorough human rights due diligence process, which allowed us to gain a better understanding of key related risks.

Based on the due diligence results, Polyus created a detailed plan to improve the human rights management system over 2022-2024. The plan consists of the following key tasks: updating and publishing policies on human rights and related topics in 2022, conducting human rights due diligence in 2023, and developing a workplace diversity initiative or joining an existing one in 2024. This project will be accompanied by the introduction of employee training and stakeholder support in the area of human rights.

### PRINCIPLES OF THE POLYUS HUMAN RIGHTS POLICY



### APPROACH TO HUMAN RIGHTS<sup>1</sup>



<sup>1</sup> A list of documents is given in the Ethics and human rights chapter.



Human rights (continue)

Case study

**WOMEN OF POLYUS ARE FACES OF WOMEN IN MINING RUSSIA**

As part of promoting talented human resources, the Women in Mining Russia association conducted a series of interviews with successful women who have achieved recognition within the industry. Polyus employees were also asked to take part in the interviews. Eight female Polyus employees spoke about their careers, the path to becoming specialists in Polyus, and the professional challenges they faced.

Also, each woman participated in the Talented Woman in the Extractive Industry competition. Participation and even completing an application is a kind of self-assessment, a look at your own achievements from the outside, it is also an excellent tool for identifying the strengths and weaknesses of Polyus' employees.

Women in Mining Russia is a non-profit organization that promotes the professional development of women in the mining industry.

Polyus supports such agendas within the framework of equal working conditions, regardless of gender. Following such initiatives, the Company provides an opportunity to showcase and empower women.

**Lesson learned**

Polyus endeavors to comply with global best practice in this area and does not tolerate any kind of discrimination. We are confident that a strong position for women in the Company will strengthen our business and serve as an example for companies in the industry.



Case study

**HUMAN RIGHTS DUE DILIGENCE**

In addition to complying with human rights legislation, Polyus takes into account global trends and the needs of its stakeholders in this area. In view of this, Polyus began its human rights due diligence.

A hypothesis was made that the Company already has human rights practices, and they are corporatized within other functional divisions. The Company analyzed the extent to which human rights risks exist within the risk register, and the extent to which they potentially affect operational activities.

During the due diligence the Company was guided by the UN Universal Declaration of Human Rights standard and ICMM principles – the Company now complies with most of the United Nations Guiding Principles on Business and Human Rights and all Performance Expectations of ICMM Mining Principle 3: Human Rights.

We analyzed our corporate documents, industrial best practices, and the corporate risk register. The analysis consisted of conducting consultations

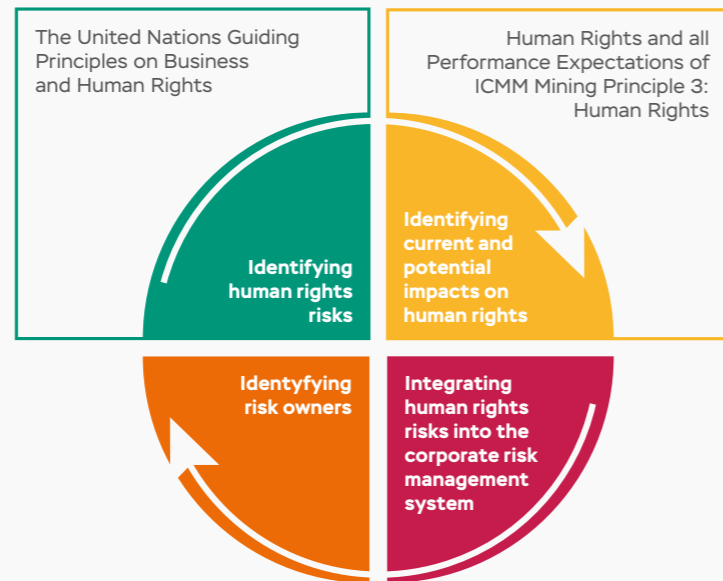
and interviews, selection and adaptation of methods, risk mapping, developing of KPIs, and prioritization and inclusion of risks in corporate risk passports.

A risk assessment was carried out using the HRIA methodology and consisted of four main aspects: risk overview, risk management, risk assessment, and risk significance. The assessment also showed that there are no critical human rights risks in the Company.

**THE INITIAL RESULT OF THE PROJECT**



**PROJECT STRUCTURE**



**Lesson learned**

The Company was able to successfully apply not only the current corporate frameworks, but also the HRIA methodology. By conducting such processes, the Company can directly manage human rights issues at the corporate level. This increases trust, not only from the Company employees, but also from the business community as a whole.



<sup>1</sup> A list of documents is given in the Ethics and human rights chapter.  
<sup>2</sup> Human rights.

Transparency and disclosure

We believe that open communications and information transparency are fundamental to constructive dialogue with business partners and stakeholders. Polyus adheres to the highest standards of transparency 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 disclose 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 Code of Conduct, Polyus does not promote the political activities of any individuals or organizations. The Company avoids donations and sponsorships that could be construed as being political contributions. Using the Company's resources for political activities is also prohibited.

Case study

**GRI 102-17**

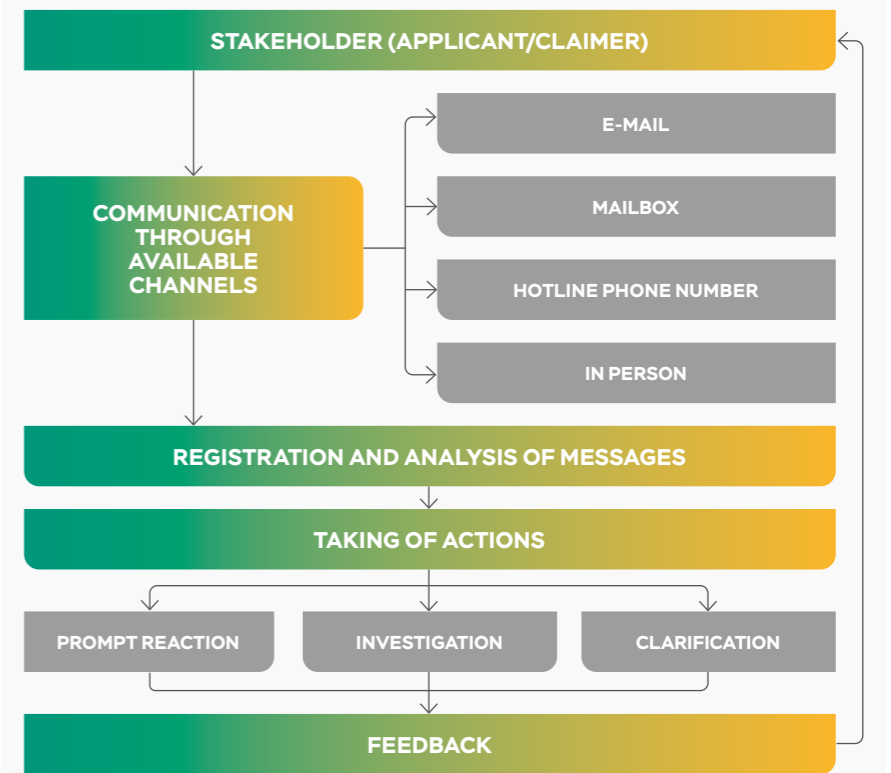
**IMPROVING THE POLYUS HOTLINE**

The Company shares the need to monitor possible violations of the Company's principles in the area of corporate ethics, combating corruption and respect for human rights. For this purpose, the Company operates a special hotline operating at all business units. This is an effective communication tool for internal and external stakeholders that identifies and prevents violations of human rights and business ethics.

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.

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, the hotline became more convenient, functioning 24/7, and featuring improved response times. It was also integrated into the current hotline. Messages are now automatically sorted by topic and functionality, and requests are immediately sent or routed to a specific authorized independent person.



All messages can be sent anonymously, and non-anonymous requests are processed by the Company on a strictly confidential basis. This approach is enshrined in both the Anti-Corruption Policy and the Code of Conduct and is also promoted through anti-corruption and hotline posters.

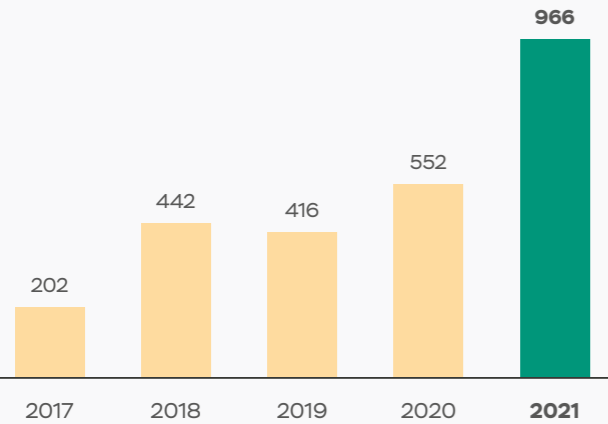
Continue to next page

Transparency and disclosure (continue)

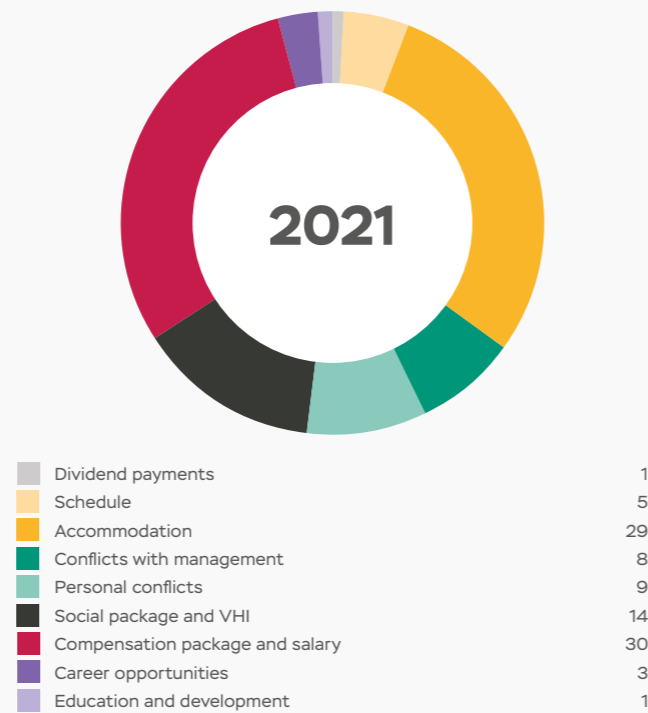
GRI 102-17

Case study

NUMBER OF REPORTS



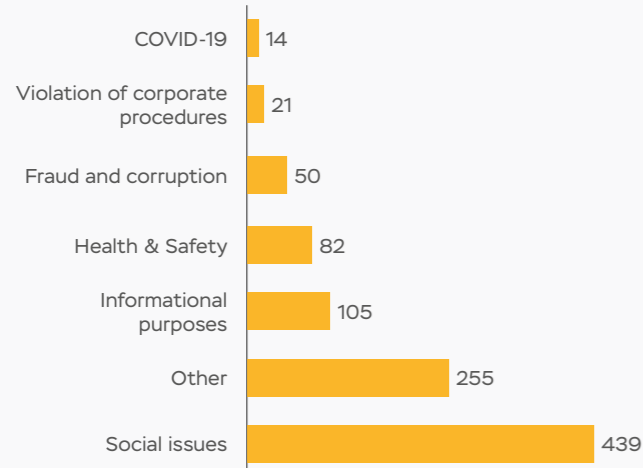
CATEGORIES OF ENQUIRIES ON SOCIAL ISSUES, %<sup>1</sup>



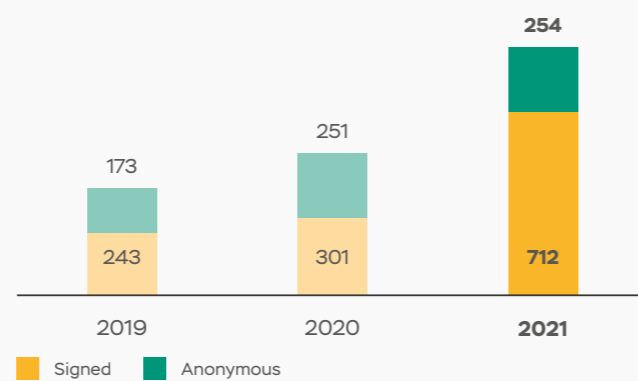
In the past five years there has been an upward trend in the number of hotline reports made. We chiefly attribute this to growing awareness of the hotline among our employees, partners, and other third parties interacting with the Company.

The level of confidence of employees and contractors in the Company is still high – the number of signed messages exceeds anonymous ones. People openly express their concerns without hiding their data.

TYPES OF HOTLINE REPORT



ANONYMITY OF MESSAGES, 2019–2021



Lesson learned

The creation of additional tools to augment existing mechanisms for detecting violations of business ethics and human rights enhances the Company's commitment to embracing the principles of fair business, right along the value chain.



<sup>1</sup> In 2021, there were no enquiries in the category of Unlawful dismissals. Categories are listed in the figure for data continuity purposes.  
<sup>2</sup> Ethical business.  
<sup>3</sup> Human rights.  
<sup>4</sup> Stakeholder engagement.

Plans for 2022 and the medium term

In 2022, Polyus plans to:

- train internal communicators and hotline workers to engage with employees when employees are in a stressful situation or experiencing conflicts;
- enhance internal policies, including the Anti-corruption Policy;
- start the implementation of a human rights project as part of due diligence processes.



## Human capital

## Human capital



## Material topics

- Employment
- Education and training
- Compliance with legal requirements
- Preventing the COVID-19 spread

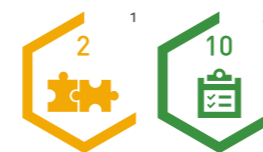
## Key events

- The vaccination of employees against COVID-19 was organized in business units
- A corporate level-by-level model of competencies was approved
- The Polyus Class educational project for schoolchildren was launched

## UN Sustainable Development Goals



## ICMM sustainability principles

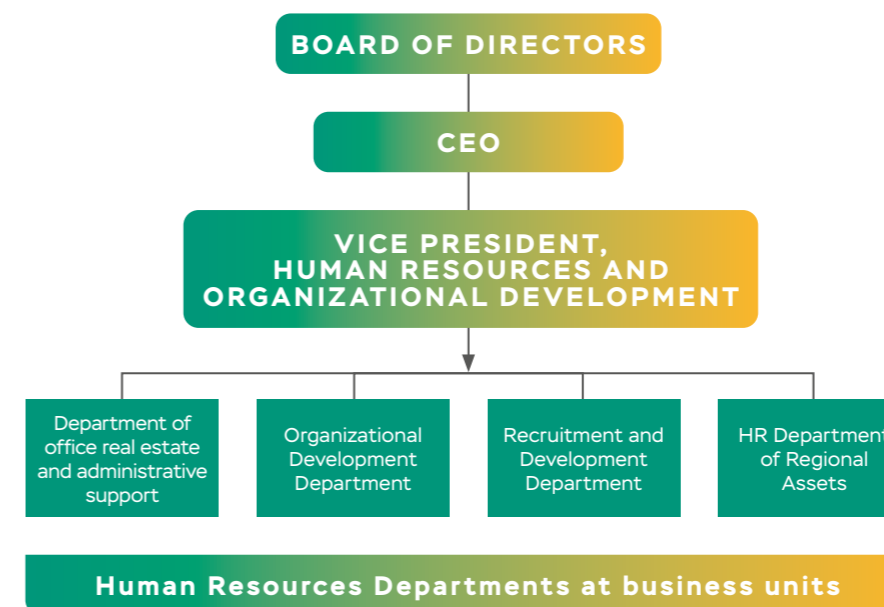


<sup>1</sup> Decision-making.  
<sup>2</sup> Stakeholder engagement.

## 2021 PERFORMANCE AGAINST GOALS

| Goal  | Status          | Summary of progress in 2021  |
|---|-----------------|--|
| Attracting the best specialists                                       | <b>Achieved</b> | Unified federal call center number introduced. This allowed us to significantly increase the flow of applications for open positions in the Company.<br><br>In 2021, we expanded the target audience of external educational programs. While in the past we only worked with students, we now also cater for schoolchildren. |
| Increased labor productivity  | <b>On track</b> | In the reporting period the Resource Center was created at Polyus Krasnoyarsk to train personnel in necessary skills.  |
| Improved quality of HR services                                       | <b>On track</b> | The human resource (HR) department of regional assets was established as part of the HR management function in Management Company.<br><br>The Company trained HR business partners, employees of the Recruitment and Development Department and employees involved in personnel training.                                    |
| Rolling out the volunteering movement across all regions of operation | <b>Achieved</b> | The Company implemented various environmental and social volunteering projects in Moscow and in regions of operation.  |

## Distribution of responsibilities



<sup>3</sup> The number of unique employees (including retired during the year but completed training).

## AVERAGE HEADCOUNT

21,716

## EMPLOYEE TURNOVER RATE

21.9%

EMPLOYEES TRAINED UNDER VARIOUS PROGRAMS<sup>3</sup>

23,917

## Related documents

## INTERNAL

- Human Resources Policy
- Code of Conduct
- 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
- Employee Training policy
- Regulation on Management of targeted professional training
- Standard for cooperating with educational institutions
- Local Talent Pool standard
- Regulation on the Talent Pool Management
- Regulation on the Management of the Pool of Successors
- Regulation on Internal Communications

## EXTERNAL

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

## Human capital

### Management approach

#### GRI 103

For the success of such a large company as Polyus, a team of focused and ambitious people that are professionals in their field is needed. We select the best specialists and provide them with extensive development opportunities. We create safe and comfortable working conditions for our employees, plus opportunities for training and social development, and are always seeking to improve living standards.

We are continuously improving our human resources (HR) management system and enhancing its efficiency. In 2021, the human resources department of regional assets was established, as part of the Management Company HR management function. Its functions include managing headcount, employee compensation and social policy, social and living conditions, as well as planning and control of expenditures on personnel. This step, aimed at strengthening work with business units, is a new stage in the development of the Company's HR function. The department's tasks include monitoring the implementation of the Company's regulations and methodological approaches to human resources management, the policies and procedures developed for business units and, if necessary, on-site adjustments of business processes.

The Company regularly performs internal audits of the human resources management system. In 2021, the personnel induction process was analyzed.

The main personnel management goals of the Company are to create the image of an attractive employer, nurture the corporate culture, enhance the motivation system, boost the personnel reserve, and provide opportunities for professional growth.

Top-level personnel management KPIs:

- labor throughput;
- provision of personnel (share of vacancies in total headcount, share of closed vacancies from applications);
- turnover rate;
- turnover rate among high-potential employees.

In the reporting period the Institute of Business Partners for Personnel, which has been operating for several years, continued with its activities. The main functional roles of this institution are personnel administration, the maintenance of accounting processes, and ensuring that the goals of personnel policies and procedures are in line with the overall business strategy. These activities are monitored by senior management and representatives of the HR departments of the Company's business units. In 2021, the Company trained HR business partners,

#### Case study

##### ORGANIZATIONAL DESIGN PROJECTS FOR THE OPERATIONS AND TECHNICAL DEVELOPMENT

The Company is implementing organizational design projects for the Operations and Technical Development function, focused on creating organizational conditions necessary for the implementation of the updated Polyus strategy.

Within the framework of these projects:

- management of business units is organizationally separated from production management function, key competence centers are created to ensure function development, including maintenance arrangement pattern for further scale-up across the Company;
- building and structures maintenance function is severed into a separate division and placed under the authority of the Project Management and Capital Construction;
- production organization competences, requiring improvement and strengthening are identified and a reference solution for production asset organizational structure is established.

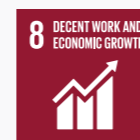
Principles of the organizational design formation are as follows:

- separation of execution and development functions both at resource and authority levels;
- elimination of duplicating function and elaborating tools for cross-functional interaction;
- transfer of non-core functionality to respective functional verticals;
- clear distribution of responsibilities and KPI across all process participants.

Organizational design improvement is carried out on the basis of a detailed study of the best technologies and process organizations in industry-leading benchmark companies, and also takes into account current trends in building a production management model and the strategic challenges of the Company.

##### Lesson learned

The implementation of the organizational design project for the Operations and Technical Development made it possible to identify main lines of development for production functions, form the foundation for labor efficiency improvement and increase transparency, quality and speed of decision making.



employees of the Recruitment and Development Department, and employees involved in personnel training.

The health and safety of employees is a top priority for the Company. During the reporting period we continued to implement all recommendations from the Russian Government and regional health authorities to counter the spread of COVID-19. We created comfortable conditions for our employees to undergo vaccinations and conducted a related information campaign. **For detailed information see the Supporting employee vaccination against COVID-19 section.**

Polyus continues to build a strong HR brand. In 2021, the Company held a number of events for young people, including the geological Olympiad, became the general partner of the "I am a professional" Olympiad and organized its own educational program "Metallurgy" together with the Siberian Federal University, and Polyus Class (this is a career guidance program, and extracurricular courses in mathematics,

physics and chemistry for successful admission to universities for the Company's profile specialties to help students prepare for exams). The Research Center for interns was also established. We also actively run the Company's social networks, such as Twitter, YouTube, and VK.

In 2021, the Company's career portal for job seekers was launched. It contains detailed information about career opportunities in the Company for professionals and students. All vacancies of the Company's business divisions are now available in one place. In addition, in November 2021, a common contact center line was introduced offering job seekers a single channel to get information about vacancies, recruitment process and employment conditions across all Polyus assets. The introduction of the line significantly increased the number of candidates responding to open vacancies of the Company.

#### Case study

##### ORGANIZATIONAL DESIGN OF THE PROJECT MANAGEMENT AND CAPITAL CONSTRUCTION

In the reporting period, a buildings and structures maintenance function was established as part of the Project Management and Capital Construction. On the asset level, this made it possible to organize standard teams to ensure a unified approach to buildings maintenance and repair.

Creating a vertical and securing resources for buildings maintenance function is driven by the need to:

- enhance safety and improve technical condition of Company's assets;
- split responsibilities and focus on production and auxiliary infrastructure facilities, requiring specific skills and processes.

The share of responsibilities, the Company has taken the following steps for managing buildings and structures:

- creation of a building management concept, including setting battery limits for building operation and maintenance functions, responsible for technical condition of equipment and newly created vertical;
- a large-scale audit of buildings and structures to assess technical condition and draft a maintenance schedule with allocation of required resources;
- development of respective guidelines and regulations and functional strategy;
- assessment and development of process automation requirements for their execution.

##### Lesson learned

Streamlining of a function made it possible to build up the required competence for infrastructure maintenance as well as improve the quality and safety of these facilities.



A number of projects were implemented during the reporting period, as part of the implementation of the Human Resources Management Strategy (established in 2020).

#### Case study

##### BLUE-COLLAR JOBS GRADING

In 2021, a job grading system was introduced for blue-collar workers. It is aimed at ensuring fair remuneration for blue-collar workers considering the value of each profession. The system of grades featuring a general job ranking for the Company serves as a tool. Payroll level depends on the position within this hierarchy. Each profession is assessed using five factors, directly influencing the grade assigned to a position:

- job complexity;
- influence on key performance of the Company;
- diversity of functions and performance of related functions;
- qualification and skills required for the job;
- comfortable working environment (not considered at workplace certification).

##### Lesson learned

Job grading is an effective solution for ensuring competitive and fair level of compensation, leading to improving labor efficiency, reducing turnover rate and attracting highly-skilled personnel. In 2021, the project was introduced across core mining units and at Polyus Logistics.



In addition, in the reporting period a Resource Center was created at Polyus Krasnoyarsk to train personnel in necessary skills. One of the Company's main tasks is to compensate for the shortage of labor in the labor market. For this purpose, it is planned that the Resource Center will be expanded in terms of the list of professions to be trained and the coverage of training programs. This approach will be applied in all Company projects where there is demand for certain professions.

To centralize non-production and support functions, such as accounting, taxation, IT, and administrative support, as well as certain personnel management functions, the Shared Service Center (SSC) was created in 2019. The launch of the expanded project SSC 2.0 was planned for the start of 2020, but was postponed due to COVID-19. Polyus finally launched the project in 2021.

#### Case study

##### JOB SHADOWING: MASTER A PROFESSION FROM SCRATCH

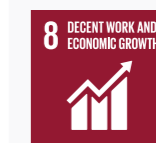
Unfortunately, the labor market does not currently provide the necessary number of candidates for heavy-duty vehicle driver position. In 2020, Polyus Krasnoyarsk launched the Driver project, to select drivers to work in pits.

The project is a target training program for Caterpillar truck drivers. The training program includes theoretical training and practical exercises at the Company's landfills. Participants study safe driving, the structure of the vehicle, the specifics of transported goods, the rules of labor protection and industrial and fire safety, the system of registering waybills, and how to assess and minimize risks before a trip. At the final stage of training students go on trips together with mentors to practice driving in challenging conditions.

All program participants who successfully completed the course are now employed by Polyus Krasnoyarsk. Similar projects were launched at Kuranakh and Logistics service in 2021. In the reporting year, 45 people from different regions of Russia took part in the project.

##### Lesson learned

The project makes it possible to master a profession from scratch. This is an innovative solution to the shortage of skilled personnel. By investing substantial resources we get professionals ready to work with a high level of efficiency. Given the positive outcome, Polyus is planning to scale-up this experience to other job functions and business units of the Company.



<sup>1</sup> Health and safety.

## Human capital

### Management approach (continue)

#### Case study

#### POLYUS WINS GOLD IN THE 2021 LIST OF RUSSIA'S BEST EMPLOYERS

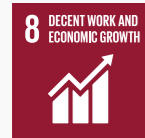
In the third Forbes ranking of the best employers in Russia, companies were evaluated according to three groups of metrics: Employees and Society (S), Ecology (E), and Corporate Governance (G). Data for assessment was collected using Company surveys and via an analysis of annual and sustainability reports.

Based on the analysis results, the companies were divided into four groups: Platinum, Gold, Silver, and Bronze, depending on the number of points scored.

Polyus was assigned to the Gold group; corporate governance was rated platinum, ecology gold, and employees and society silver.

#### Lesson learned

Polyus' high rating as an employer tells us that the existing human resources management system is generating positive results, however, there is still much to achieve. In order to continue to attract the best and brightest people, the Company will continue to make efforts to improve the well-being of employees and society.



One of the Company's main development areas is digitalization. Polyus is focused on creating digital products that are accessible to Company employees through the Shared Service Center. For example, using a desktop or mobile app, employees can use their personal account to receive information remotely, send requests, and upload documents and photos. In December 2020, a service that makes it possible to draw up an application for material aid was transferred to a digital format. In 2021, Bitrix24 dashboard was populated with more than 100 HR-related services, e.g. time tracking, business trip arrangement, employment termination, personal data management, employees income and remuneration management. The completion of implementing all digital services is set for 2022.

#### Case study

#### DEVELOPMENT AND IMPLEMENTATION OF AN AUTOMATED ELECTRONIC DOCUMENT MANAGEMENT SYSTEM

The Company is implementing electronic document management (EDMS) in two phases: pilot implementation of a limited scope of documents and further development of an IT solution. The first phase was completed in 2021:

- the pilot list of accounting documents has been transferred to an electronic form with a digital signature (DS);
- a conclusion on the possibility of translating new documents into electronic form has been reached;
- a conclusion has been reached on the possibility of reducing the number of the personnel documents;
- an electronic archive for Company documents has been created;
- a project to provide remote access to DS approval and signing services is being launched, which will allow employees using their own mobile devices to be included in the EDMS processes.

#### Lesson learned

The implementation of the Automated Electronic Document Management System will allow the Company to reduce the labor costs of employees and expenses on HR, accounting and contractual document flow, to reduce the deadlines for signing documents, and to strengthen control and transparency of document management processes.

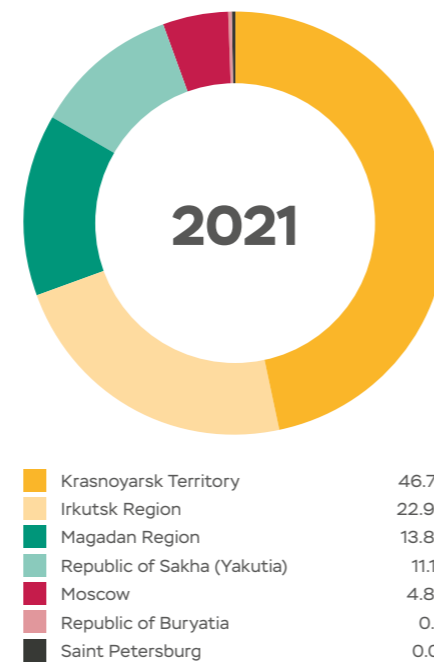


### Workforce composition and engagement

#### GRI 102-8

In 2021, the average headcount of the Company was 21,716, a 6.5% rise on 2020. Over 46% of employees worked in Krasnoyarsk Territory, where the largest Polyus gold production assets are located. The smallest proportion of personnel, 0.01%, work in Saint-Petersburg.<sup>1</sup>

#### EMPLOYEES BY REGION, %

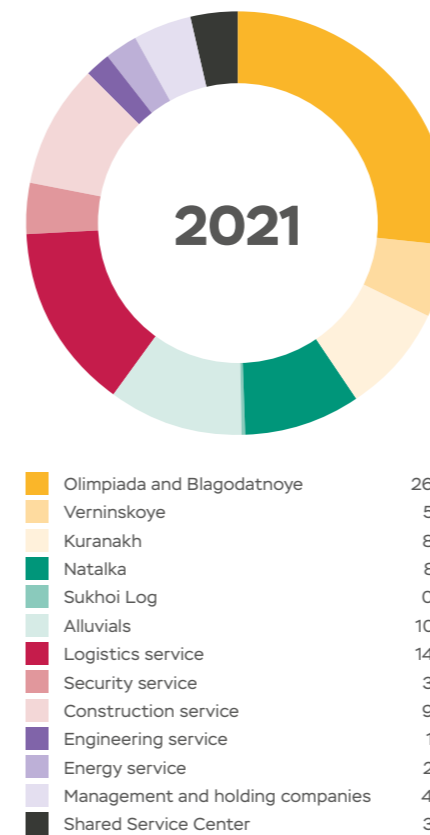


In terms of the distribution of personnel among business units and support services, the largest share has traditionally been taken by Polyus Krasnoyarsk (Olimpiada and Blagodatnoye), with 26.8%, and the smallest by Sukhoi Log (approximately 0.4%).

#### GRI 102-8

88.8% of employees in 2021 worked under indefinite employment contracts, including 88.2% of women and 88.9% of men. 99.6% of the workforce are full-time employees, including 98.6% of women and 99.8% of men.

#### EMPLOYEES BY ASSETS, %



#### GRI 401-1

In 2021, the Company's employee turnover rate was 21.86%, an increase of 5.3 p.p.<sup>2</sup> from 16.56% in 2020. The increase in wages in the labor market in the mining industry, for a number of reasons, including a shortage of labor due to the epidemiological situation and production launches from a number of companies in the Company's industry, played a significant role in this regard. The turnover of female employees in 2021 was 16.44%, while the turnover of male employees was 23.1%. Voluntary turnover in the reporting year was 19.49%, an increase of 5.54 p.p. from 13.95% in 2020<sup>3</sup>. Voluntary turnover in 2021 was 13.97% for female employees and 20.57% for male employees.

Broken down by age categories, the highest turnover rate in 2021 was recorded in the under-30 age group – 30.5%, and voluntary turnover in this group was 29.95%. The lowest turnover rate (18.45%) was recorded in the 40 to 50-year age group, while the lowest voluntary turnover rate was recorded in the 50 years and older age group (11.96%).

### Corporate culture development

#### Case study

#### POLYUS HAS RECEIVED A NUMBER OF AWARDS AT THE DIGITAL COMMUNICATIONS AWARD

Polyus' communication projects have received three awards from the Digital Communications AWARD, established by the Association of Directors of Communications.

The Company's corporate account on a social network was awarded as the winner in the "Social Media & Community" category. Polyus also received the "Digital Media & Tools" award for the career web portal and for the long read article "Digital vein. Why a gold mining company needed Big Data".

#### Lesson learned

Polyus steadily expands the audience of corporate accounts and works to maintain the balance between solving communication tasks and bringing value to followers. The acknowledgement from the professional community confirms that Polyus is moving in the right direction.

In 2021, Polyus carried out an important event – a direct line with the CEO. The meeting was held in an online broadcast format with connections from four regions. The CEO answered all the questions (there were more than 350), some of the questions were answered by the managing directors of our mining business units. The employees subsequently received feedback on them. This event has become an annual event. Scheduled meetings with managing directors are held for employees of business units in the Company.

During the reporting period we conducted a staff engagement and satisfaction study. The results demonstrated that the level of employee engagement was 72.9% (+5.5 percentage points compared to 2019<sup>4</sup>). The results of the study showed that employees highly appreciated the Company's response to the unforeseen COVID-19 situation. We conduct employee engagement and satisfaction surveys every two years in a face-to-face format. The survey is attended by employees of all business units and production sites of Polyus, as well as employees of the Management Company.

Corporate culture is a tool for uniting all divisions and officials of the Company around compliance with corporate norms and achieving common goals. Internal communications are closely linked to the corporate culture. Corporate culture is not a top-down agenda, but a system of behaviors developed by the Company during its activity. That is why, when the Company formed its values, the opinions of not only management but also employees were taken into account. **For more information about our values, see the "Ethics and human rights" section, p. 42.**

Furthermore, we have established standards and rules of conduct in the Company that cover interactions with colleagues and business partners, and our obligations to society.

Due to pandemic-related restrictions on holding face-to-face events, the Company operated various internal communication channels, including:

- the hotline;
- the Territory of Polyus corporate newspaper;
- the internal web portal;
- general meetings of managing directors and senior managers with the workforce, during which dialogues between management and employees took place in a remote format;
- the employee engagement survey;
- Viber chatbot;
- the Company's social media pages.

The Company set up a call center for job seekers, and in 2021 and the hotline started operating 24/7. If an employee uses the hotline, the operator will record the request in the information system and then send it to the relevant unit. The control of the consideration of all incoming requests is carried out automatically in the Polyus Service information system. The personal data of the applicants, if they wanted to remain anonymous, is not recorded in the system. The Company's management can control the consideration of requests in this system and analyze the relevant analytics generated by the system. **For more information about the Polyus hotline, see the "Ethics and human rights" section, p. 49.**

<sup>1</sup> Three employees of the Shared Service Center work in Saint-Petersburg.

<sup>2</sup> In the reporting period, the Company changed the approach to the calculation of turnover at the companies of Lenzoloto PJSC group (Lenzoloto JSC, Sevzoto, Svetly, Lensib). These companies attract seasonal workers to fulfill the baseline work at Alluvials. The duration of the work varies from three to nine months and is followed by the employment termination (January – February), for those staying for preparatory work employment periods ends as the end of the main season (October – December). The Company hires for seasonal work professions from the determined list only.

<sup>3</sup> Data on Alluvials have been recalculated.

<sup>4</sup> A Company engagement survey is conducted every two years.

# Human capital

## Corporate culture development (continue)

Based on the results of the employee engagement survey, the Company has developed an action plan to improve interaction with staff. One of the activities within the framework of the implementation of this plan was the launch of the information campaign Polyus for Us in 2021. As part of this we aired videos on the Company's values, the Code of Corporate Ethics, and the benefits and services available to employees through TV screens located at all Company enterprises. In addition, Polyus for Us includes articles in the corporate newspaper and interviews.

In 2021, in addition to the general mandatory course on the Code of Corporate Ethics, a separate course on ethics for working specialties was developed and launched, which takes into account the specific requirements of the daily activities of employees in this category. The coverage of corporate ethics courses is 100% of employees. From 2022, it will be mandatory for every Company employee to complete the course on Corporate Ethics every two years.

In 2021, we implemented a number of measures to develop internal communications. The Regulations on Internal Communications, which were adopted in 2018, and govern the format of implementation, responsibility for performance, and frequency of internal communications, were fully updated. The updated Regulations more clearly regulate the procedure for conducting face-to-face communications and stipulate the main rules for the Company's communications in social networks and messaging apps.

During the reporting period two training events were held for internal communicators and employees of the hotline, on how to interact with employees during disputes or in stressful situations. Based on the results of the engagement study, it was decided to make the training of ethics coordinators and internal communicators mandatory, starting in 2022, and conducted at least twice a year. The training will include a wide range of issues, not only related to communication with employees in stressful situations.

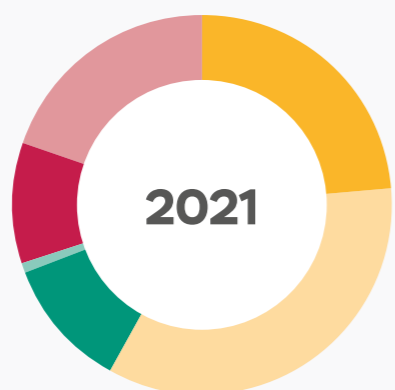
In the reporting year mandatory remote learning courses on communication skills were held for ethics coordinators. 6,500 hours of training are planned for 2022 on a mandatory course for employees on the subjects of feedback, crisis communications and team management.

### Case study

#### IMPLEMENTATION OF EMPLOYEE IDEAS

The main driver behind boosting the operating efficiency of Polyus is its employees. The most important task for the Company is to involve employees in the process of continuous improvement. For example, any employee can implement ideas that change processes and workplaces through the proposal system. Ideas can be submitted in both paper and electronic format, and there is a goal-setting system for managers that supports this process in divisions.

#### NUMBER OF KAIZEN/A3<sup>1</sup> PROPOSALS ACCEPTED (2021)



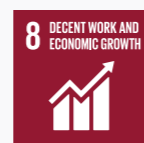
|                              |       |
|------------------------------|-------|
| Performance                  | 2,631 |
| Improving working conditions | 3,814 |
| Quality                      | 1,232 |
| Ecology                      | 84    |
| Expenses                     | 1,145 |
| Safety                       | 2,156 |

The most popular areas are improving working conditions, boosting productivity, and enhancing production safety. The Company provides employees with additional remuneration for active participation in the improvement process. In 2021, this amounted to \$390,000.

Proposals were received from 5,313 authors. To make the submission of employee proposals more convenient, in 2021 we created the Polyus of Ideas portal. In addition to its convenient functionality, it contains a database of knowledge on all initiatives implemented through the system. At any time, employees can learn about the experience of other business units and replicate the ideas of their colleagues.

#### Lesson learned

No one knows all the intricacies of the Company's processes as well as the employees actually involved in them every day. Thanks to the submission channels available and the effective mechanism for their further consideration, each employee can influence any aspect of their work. This mechanism makes it possible for the Company to constantly receive innovative ideas that can be quickly implemented.



### Case study

#### VALUABLE IMPROVEMENTS BY EMPLOYEES

Through the provision of uniform standards, the Polyus Production System facilitates loss identification, the development of improvements and consolidation of results. The system is monitored by operational efficiency divisions, established in each of the Company's production business units.

When employees discover a problem, they have various options for solving it, including:

- putting on the Problem-Solving Board where it remains under the control of the manager until it is corrected;
- discussing it at operational efficiency meetings;
- reporting through an electronic customer orientation assessment survey (if related to the work of contractor).

If an employee understands how to significantly improve the process by implementing a new technical solution, they can use a proposal submission format such as Total Optimization of Production (TOP)<sup>2</sup>, and the best technical solutions implemented can be replicated throughout the Company. As a result of the use of this system, the total effect of TOP program events for 2021 is over \$21 million.

Besides TOP, the Company continues to develop the line of launching and implementing projects on improving operational efficiency. In the reporting period, the number of such projects in Polyus totaled 176, which were put into action with the help of 578 employees.

#### Lesson learned

Polyus values its employees and believes in their potential, that's why the Company aims to actively involve employees in the process of continuous improvement of its business processes and decision-making, proposing development opportunities and significant additional remuneration for high initiative in return.

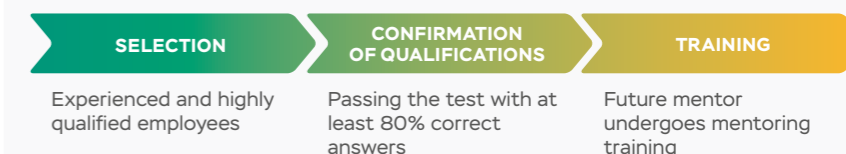


### Case study

#### MENTORING PROGRAM

Mentoring constitutes individual on-the-job training and assistance on integrating within teams. The Mentoring Program at Polyus began in mid-2018, and it currently covers all business units of the Company.

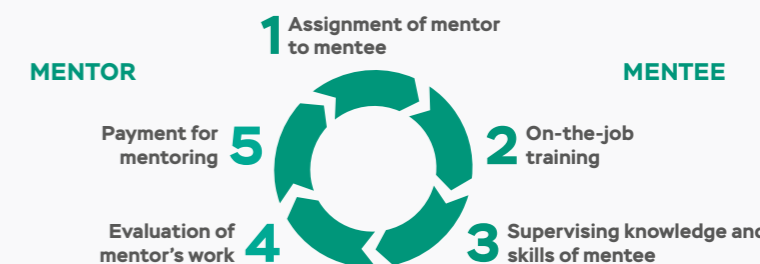
#### THE PROCESS OF FORMING A MENTOR POOL



The main tasks of the mentor include one-the-job training and coaching the employee to unassisted completion of production assignments while observing H&S requirements. Mentors assist newcomers with onboarding, mastering the main OHS requirements and becoming familiar with Company rules.

The number of active mentors in the Company is 795, with 265 of them at Polyus Krasnoyarsk, 163 mentors at Verninskoye, 121 mentors at Polyus Magadan, and 99 mentors at Kuranakh.

#### MENTORING SCHEME



#### Lesson learned

Mentoring is a reliable and quite rapid way to train up future professionals for the Company, which makes HR processes more efficient.



<sup>1</sup> KAIZEN and A3 are employee proposals aimed at improving the efficiency of work in the field. The essence of KAIZEN practice is continuous small changes in all areas of the Company's activities (in Japanese, "kaizen" means "change for the better"). A3 format proposals are similar to KAIZEN, but they have their own peculiarity: their implementation can bring a measurable effect in physical terms.

<sup>2</sup> Total optimization of production – the methodology of bottom-up organizing and conducting major cost reduction and performance increase projects in large companies, based on encouraging employees to participate in the modernization process by submitting relevant technical proposals.

<sup>3</sup> Decision-making.

# Human capital

## Talent attraction

### GRI 401-1

In total, in 2021, Polyus hired 7,183 employees, of which 6,083 are men and 1,100 are women. The largest share of new employees are in the 30 to 40-year age group (36.80%), the smallest share is employees aged 50 years and older (9.83%). New employees under the age of 30 and from 40 to 50 years old accounted for 29.08% and 24.29% of newly hired employees, respectively.

The largest share of new joiners was at Alluvials (1,397 employees including 1,051 seasonal workers). In 2021, the Company increased its headcount by 5% compared to 2020. The Company's hiring costs in the reporting period amounted to \$1,140,262.<sup>1</sup>

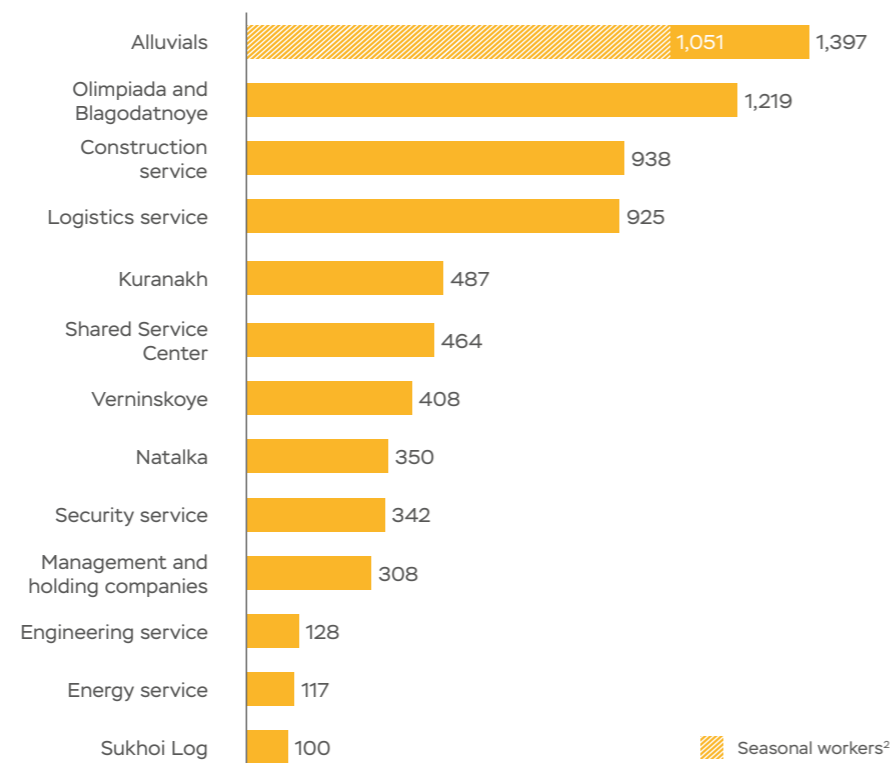
Starting from 2020, in accordance with Company-wide regulations, the Polyus group's facilities began work to induct new employees to the Company.

Seminars run by the employees of Recruitment and Development Division are now a standard fixture. At these, new employees get to know the business processes of the Company, ask questions, and meet their colleagues. At the end of a meeting each newcomer is given a special booklet containing an explanation of the Company's values.

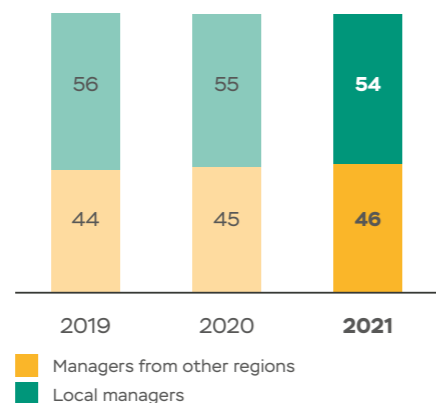
### GRI 202-2

The Company prefers to mainly engage specialists from the local talent pool, including to management positions. In 2021, local managers accounted for 54% of operations.

### EMPLOYEES HIRED BY BUSINESS UNITS AND SUPPORT SERVICES



### GEOGRAPHICAL ORIGIN OF MANAGERS, %



### Case study

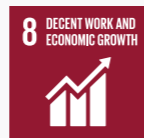
#### THE BRING A FRIEND CAMPAIGN AT POLYUS LOGISTICS

Any employee of an enterprise can invite a friend to work at the Company. If a new employee successfully passes the probation period, the employee that put them forward receives a corporate gift.

According to statistics, the event attracted the greatest interest from working professions; candidates were chiefly employed as car drivers, car repair technicians, operators of filling stations, and storage shop workers.

#### Lesson learned

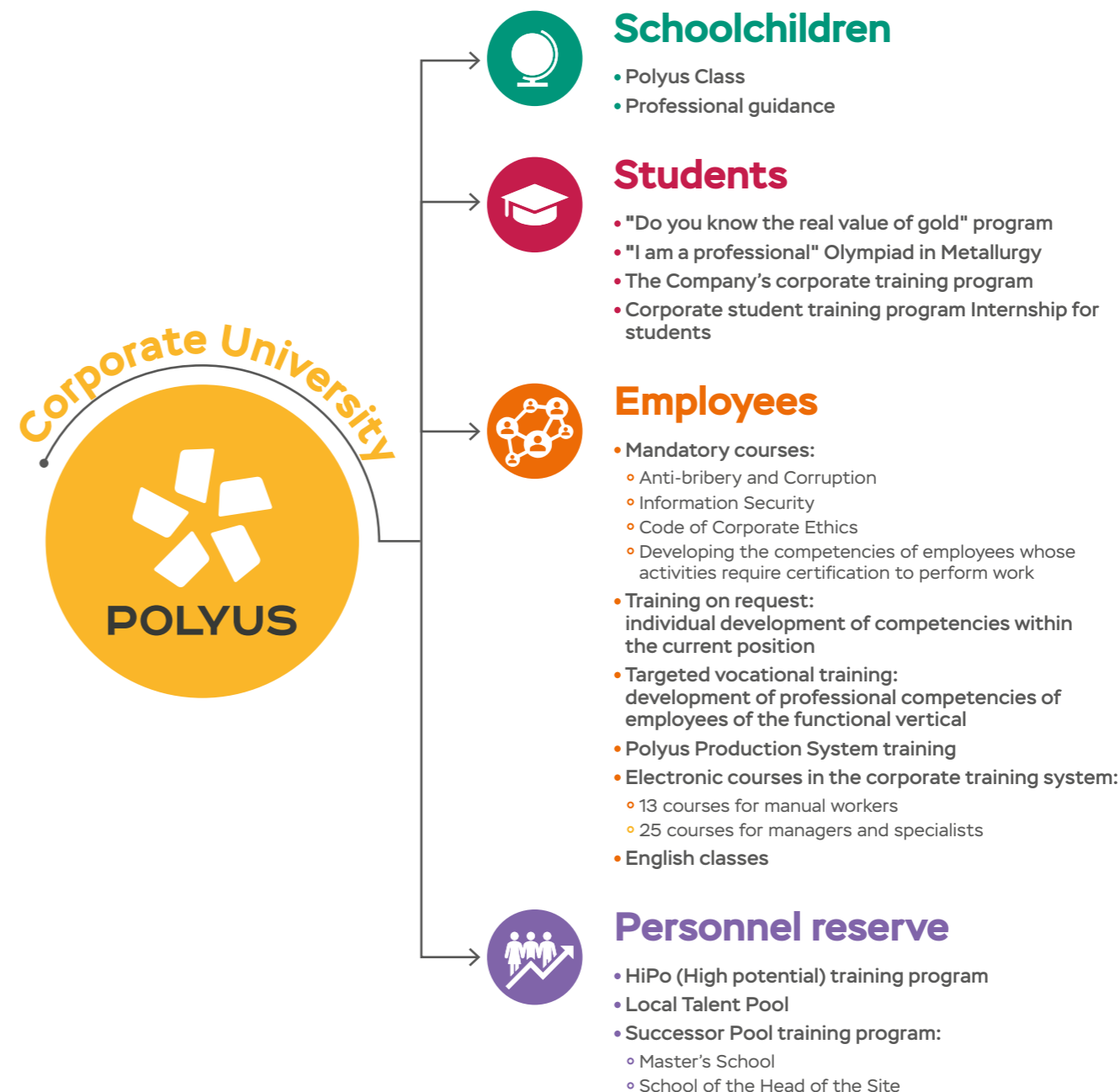
The Bring a Friend campaign helps attract new employees to the Company and increases the recognition of our HR brand.



## Talent development

### GRI 404-1 · GRI 404-2

#### TRAINING CYCLE AT THE COMPANY



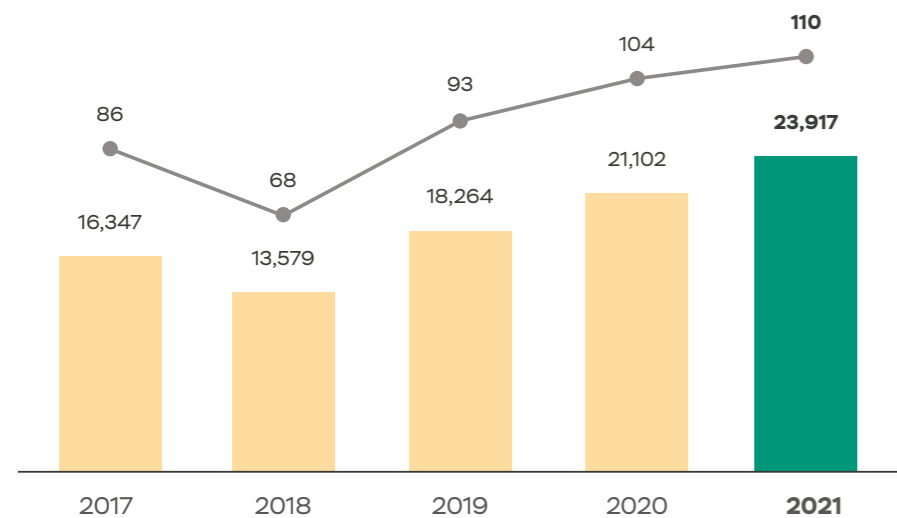
<sup>1</sup> The calculation used the average annual dollar exchange rate set by the Central Bank of the Russian Federation for 2021: RUB 73.65.

<sup>2</sup> For more information see page 56.

# Human capital

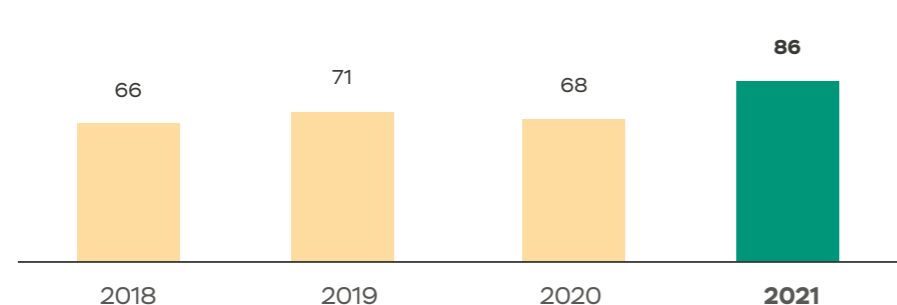
## Talent development (continue)

NUMBER OF EMPLOYEES TRAINED

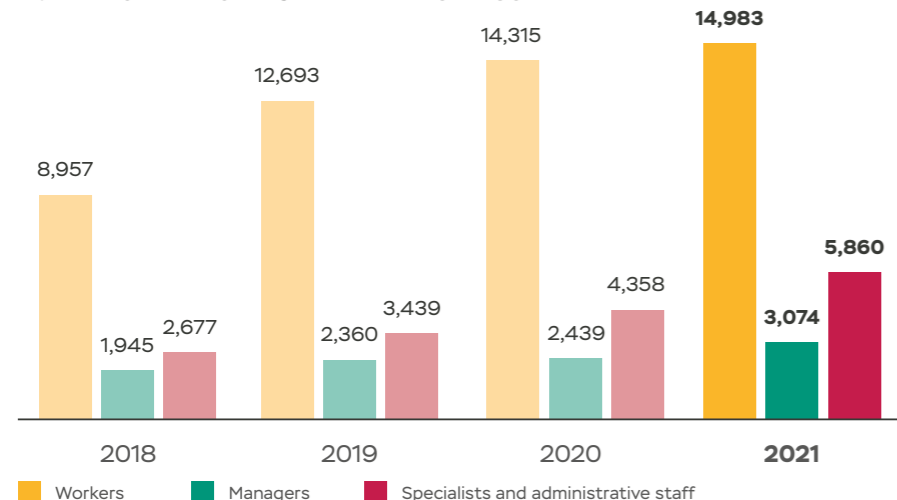


■ Number of employees trained  
● Employees trained, as percentage of average headcount, %

AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE



NUMBER OF EMPLOYEES TRAINED BY CATEGORY<sup>1</sup>



■ Workers ■ Managers ■ Specialists and administrative staff

<sup>1</sup> The number of unique employees (including retired during the year but completed training).

**GRI 404-1**

In 2021, the number of workers trained during the year rose 13% and made up around 110% of the Company's average headcount. The average number of training hours per employee was 86 which is 26.5% more than in 2020. This result was achieved largely due to the transfer of existing courses to an online format and the creation of new distance learning courses for employees.

In 2019, Polyus implemented an automated recruitment and development system which provides its own remote learning system.

Every Company member of staff, from employee to senior executive, can use the system. Employees have a personal account where they can find out which trainings are planned, which courses were completed and when, and also choose from a publicly available library of e-courses without additional approval from a manager. It is possible to undergo training and testing in a mobile app, which is now available to representatives of working professions. They can therefore complete remote professional development learning in a more convenient format, without having to attend a session or facility. The qualification of an employee affects their individual rating: the higher the qualification, the higher the individual rating.

The system now has 13 courses for manual workers and 25 for managers and specialists. The electronic course Gold Mining Technology is popular among employees. It consists of the main information on gold mining production processes and contains seven modules describing the stages of prospecting for new deposits, the drilling and production of ore, transportation and refining, the production of doré alloys, and also the Company's technology and equipment. Our library also contains compulsory courses that are automatically assigned to an employee on their first working day, on Anti-Bribery and Corruption, Information Security, and the Code of Corporate Ethics. These courses help accelerate the employee induction process and give them the information they need about internal rules and policies.

We plan to expand the range of remote learning courses where possible and expedient. In 2021, the number of hydrometallurgical electronic courses for all production sites was expanded. Electronic courses on corporate processes are being developed for managers and specialists. We also plan to increase the quality of courses available on mobile devices, currently the most popular format globally.

**Case study**

**POINT OF GROWTH**

In 2021, the educational center Point of Growth in Bodaibo was very popular. Its activities are supervised by Polyus Verninskoye.

Point of Growth, a center for education on digital skills and humanitarian topics, operates in city School No. 1. It has 10 additional education programs. Children can learn how to take photos, shoot videos, and even edit them through the courses The World in the Lens and Fundamentals of Shooting and Video Editing. Children who are passionate about modern technologies can complete the courses Hi-tech Laboratory, Programming from Scratch, Basics of 3D Modeling, and Esports. The educational center runs classes for future successful managers: Project Workshop and I am a Leader. Through Point of Growth, it is also possible to develop technical abilities and learn how to provide first aid to patients under the programs Young Designer and School of Young Rescuers.

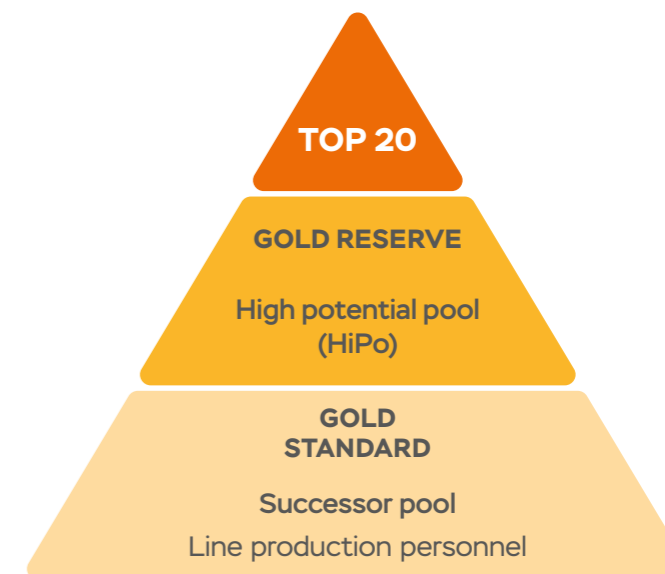
Over 150 schoolchildren (from 5th to 11th grades) are trained in thematic areas, and almost 600, thanks to the project, attend computer science and housing and technology lessons at the center on updated equipment provided in well-furnished rooms.

**Lesson learned**

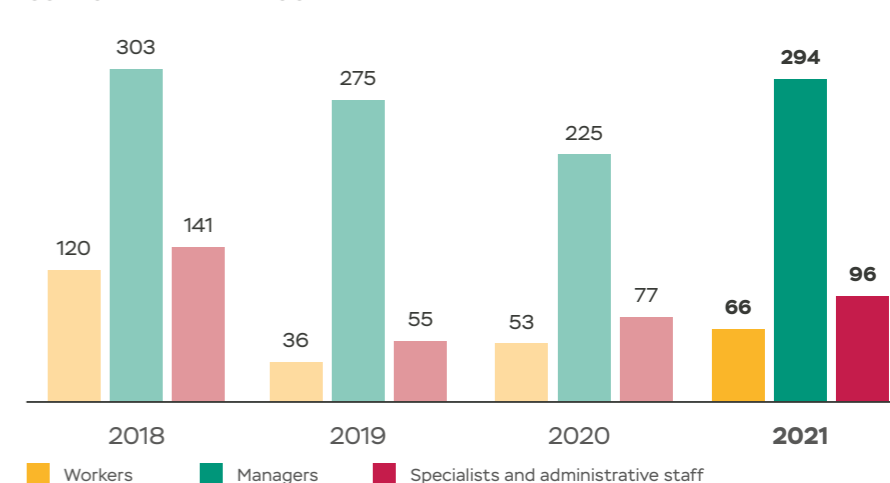
Point of Growth is a landmark project. A good education today is vital for a successful future. With the help of the center, training will be more interesting, and therefore produce results. And the first results are already being delivered – the students have created their first 3D models, written programs, and taken great photos. All this became possible thanks to the talented teachers at School No. 1.



POLYUS CORPORATE TALENT POOL STRUCTURE



CORPORATE TALENT POOL



■ Workers ■ Managers ■ Specialists and administrative staff



## Human capital

### Talent development (continue)

The corporate talent pool is represented by three programs: Top HiPo, the Talent Pool (HiPo), the Successor Pool. Also in the business units of the company a local talent pool is being formed.

As part of the Successor Pool program, promising employees are prepared for target management positions by developing the necessary competencies for these positions. After completing the training, employees become part of the Gold Standard.

In 2021, the Master's School and the School of the Head of the Site were launched as part of the Successor Pool program. The materials for these programs were developed by the Company's internal experts. These programs offer participants a course of study to develop necessary competences among participants required for the targeted position. The classes were developed and conducted by the Company's specialists, in accordance with the rules of work and the specifics of the Company's processes. Managing directors took part at the first classes for employees of business units within the framework of the Master's School.

Also, in the reporting year, participants were selected for the Pool of Successors in order to prepare for the replacement of target management positions within the perimeter of the mines.

The goal of the HiPo program is to form a reserve of highly effective employees with high potential who will become the driving force behind the achievement of Polyus' strategic goals and will be able to solve any challenges that arise. The program develops a number of soft and professional skills necessary for the effective performance of various functional and project tasks. After completing the training, employees become part of the Gold Reserve.

To train employees for top-level positions in the Company, there is a separate program – Top HiPo.

In 2021, 37% of the Company's vacancies were filled by internal candidates (including from the talent pool).

During the reporting period there were no significant changes in the system for creating the talent pool. As part of the Successor Pool program approved in 2020, in the reporting period successors were selected for training to move from worker to master-level positions, and from master-level positions to head of site roles, from head of site to head of pit/plant/workshop. Their training program will continue this year.

#### Case study

##### MEETINGS BETWEEN VERNINSKOYE REPRESENTATIVES AND STUDENTS

Students from two educational institutions in the Irkutsk Region were told about Polyus. First, Polyus Verninskoye HR specialists talked with students at Bodaibo Mining College and then with students at Irkutsk Technical University.

The students used an online link to the Verninskoye mine. Ruslan Elizaryev, Director of the Production and Dispatch Unit, talked to the youngsters by Zoom. Footage of the Verninskoye pit, equipment, and the WENCO system was aired.

At the end of the events, a quiz was held using the online platform Kahoot. The winners and prizewinners were awarded memorable prizes bearing Company insignias. The meetings will continue in the future.

#### Lesson learned

The efficacy of any enterprise depends on people and professionals in their field, including young professionals. That is why we actively tell the students of educational institutions about the opportunities offered by our Company.



One of the final tests of Talent Pool participants was the protection of their own business initiatives. The presentation of initiatives was attended by the vice presidents and managing directors of the Company, who actively participated in the discussion of projects, made suggestions, and sent them for revision with a view to further implementation within the Company.

In 2021, the Local Talent Pool management standard was approved, which defines the principles for selecting and developing reservists for positions not included in the perimeter of corporate talent pool development programs.

In the reporting period, the Company also approved a corporate level-by-level model of competencies. In connection with this, the Talent Pool training program was revised to align it with the new competency model. Talent Pool participants will be trained based on their level of preparation that will be reflected in the complexity. In 2022, we plan to integrate the competency model into all HR business processes of the Company.

#### Case study

##### TREASURES OF THE NATION QUEST

On the open day of the Institute of Non-Ferrous Metals and Materials Science of the Siberian Federal University in Krasnoyarsk, an exciting quest called Treasures of the Nation was held, supported by Polyus. The quest deals with gold and everything related to it. At seven locations, high school students learned about gold-bearing mining, ore mining, the physics and chemistry of metallurgical processes, and the production of gold products. Afterwards the schoolchildren had to collect gold production chains, using clues given to them during the game.

#### Lesson learned

The Institute of Non-Ferrous Metals and Material Science prepares processing agents, hydrometallurgents, and automation engineers for our Company. Students who learn well and who wish to dedicate themselves to gold mining can join Polyus and complete an internship, and are then given employment opportunities.



#### PROVIDING OPPORTUNITIES FOR YOUNG PROFESSIONALS

All promotional events, internships, and production practices organized by the Company are combined into the program on working with students "Do you know the real value of gold?"

In 2021, in order to invite students to practice at the Company, we organized career days at a number of key universities: Saint Petersburg Mining University, INRTU (Irkutsk National Research Technical University), and SFU (Siberian Federal University).

Within the framework of the "Do you know the real value of gold?" program the Company organizes practical production training for university and secondary school students studying in engineering specialties in the regions of Eastern Siberia and the Russian Far East. Resumes of applicants who have been selected according to formal criteria (high academic performance, positive reference from the educational institution, etc.) are sent to the responsible workers of the HR department of the Company, who conduct an initial interview with the student. Next, candidates are interviewed with a potential practice manager. A student can complete practical production training in any business unit of the Company. Polyus draws up an employment contract with the intern. The Company pays for the trainee students' travel, and organizes their accommodation and meals. Each student has a mentor and an individual practice plan. All this helps to reduce the gap in knowledge between what students have learnt at university and what is actually needed for working in production once students are involved in the real tasks of the gold mining enterprise. Students also receive an additional working specialty in the training and course complex of the company. As a leisure activity, the Company regularly organizes sports competitions, and attracts students as volunteers at professional skill competitions, where the Company's professionals show their skills at work. Polyus offers employment to the best students based on the results of production practice.

The best students are attracted to the corporate training program. The Company's corporate training program is implemented in two formats:

- Internships for graduation students, during which students work at the Company at 0.5 rates and receive a salary, while simultaneously studying at an educational institution.
- Corporate training program for students in the graduation year of Bachelor's Degrees and Specialist's Degrees or 2nd year of Master's Degrees, during which they are paid a stipend and provided with additional knowledge. As part of the program agreement, students undertake to be employed by the Company after graduation.

#### Case study

##### I AM A PROFESSIONAL OLYMPIAD

The I am a Professional contest is held for students of Russian universities in a wide range of areas, from linguistics to technologies of medicine of the future. The sections cover engineering, computing, agricultural, humanitarian, medical and other professional fields. In the 2021/2022 academic year, the jubilee, fifth season of the Olympiad is being held.

The organizer of the Metallurgy section was the Siberian Federal University, and the general partner was Polyus. I am a Professional is one of the flagship projects of presidential Russia is a country of opportunities platform. The Olympiad is being implemented with the support of the Ministry of Science and Higher Education of the Russian Federation.

The winners of the fifth season of "I am a Professional" will be determined in May 2022 and will be able to complete an internship at Polyus. The Company has already offered the winners of last season the chance to be selected for internships in the regions of presence, including Krasnoyarsk Territory, Irkutsk Region and Yakutia.

#### Lesson learned

Being one of the most important and demanded branches of the Russian economy, metallurgy needs a constant influx of qualified specialists. The I am a Professional Olympiad allows participants to try out the profession, gain important experience and get acquainted with possible career paths.



#### Case study

##### GEOLOGICAL OLYMPIAD

In 2021, the oldest geological Olympiad among schoolchildren was held. The event was organized by the Museum of Geology of Central Siberia specialists, together with the Institute of Mining, Geology, and Geotechnologies of the Siberian Federal University (SFU).

Schoolchildren from all over Krasnoyarsk Territory participated in the Olympiad. The objects of research of the young geologists include geochemical processes occurring in the deposits of some minerals in the region, geological monuments, and various natural phenomena and their consequences.

In 2021, works studying geological and ecological phenomena were presented at the Olympiad. Winners were determined in three groups for grades 3-5, 6-8, and 9-11.

#### Lesson learned

Our Company helped hold the Geological Olympiad for the sixth year. And every year we see how the number of participants rises, and how the level of work performed increases qualitatively. Polyus, in turn, takes a keen interest in the younger generation of young specialists, as geology occupies an important place in the work of a gold miner.



## Human capital

### Talent development (continue)

In July 2020, the first graduation of students of the corporate target group who studied in the field of metallurgy at the Siberian Federal University took place. Currently, graduates work in various departments of gold mining factories, where they have the opportunity to put into practice the knowledge and skills acquired in the process of additional professional education. In November 2021, the next Polyus training program was launched for students of the corporate student training program studying at the Siberian Federal University in Krasnoyarsk studying in the following specialties and areas of training: mineral processing, metallurgy, and chemistry. As part of the academic year, students will study the course "Technological assessment of gold-bearing ores". Specialists of the Research Center participated as experts in the joint development of the corporate program with the teachers of SFU.

In 2021, we expanded the target audience of our external educational programs. Whereas in the past we only worked with students, schoolchildren are also now involved.

Areas of the Company's activity with schoolchildren:

- Professional guidance: we have piloted a project in Krasnoyarsk Territory to introduce schoolchildren to engineering professions in demand at the Company.
- Educational projects for schoolchildren: Polyus Class.

In 2022, we plan to expand the list of educational institutions, increasing the number of secondary educational institutions and higher education institutions that can provide professional guidance. Related events help us promote the Company's core specialties and attract talented students.



Case study

#### POLYUS CLASS

In 2021, a class was formed from 20 schoolchildren from different cities in Krasnoyarsk Territory (Achinsk, Krasnoyarsk, Sosnovoborsk, etc.) engaged in additional distance training for the Unified State Exams in chemistry, physics and mathematics. We also offer immersion in the Company's professions in cooperation with the Siberian Federal University (SFU).

Students enrolled in specialized disciplines will be included in the corporate training program, within which they will receive a personal scholarship, and undertake internships at Polyus enterprises. Upon graduation, students will get a job offer at the Company.

#### Lesson learned

Students who enter the specialized universities enroll in a corporate training program, within which they receive a personal scholarship and can undergo internships at Polyus enterprises. Upon graduating students will get a job offer at the Company.



### Diversity and inclusion

The Company's Human Rights Protection Policy contains a number of anti-discrimination provisions:

- The fair treatment of all employees of the Company and the personnel of contractors, based on respect for their dignity, without any discrimination.
- Non-discrimination in employment on any possible grounds, including gender, age, race or nationality, attitude to religion, etc.

The gender composition of the Company as a whole reflects the specifics of the mining industry, where men make up the bulk of the workforce. Despite the prevailing equal working conditions, gender imbalances are usually the norm in the business sector in which Polyus operates. This disparity is due to working women usually avoiding roles that require physical strength and carrying heavy loads. Another reason is the lack of women in industrial-related professions, partly for legal reasons. The Company's diversity initiatives and strategies are aimed at attracting, nurturing, and promoting talented employees, irrespective of their race, sexual orientation, religious beliefs, age, gender, disability status, or any other diversity factor. There were no significant changes in the Company's personnel structure in the reporting year.

#### GRI 102-18

Russian labor legislation limits the employment of women in positions that may lead to unfavorable working conditions for woman's health. However, Polyus works hard to ensure that it has a safe and skilled workforce. In 2021, men accounted for 84% of Polyus' total headcount. The highest level of female representation in Polyus is seen in the Sakha (Yakutia), where women hold 26% of positions. **For more information about diversity and inclusion, see the "Ethics and human rights" section, p. 48.**

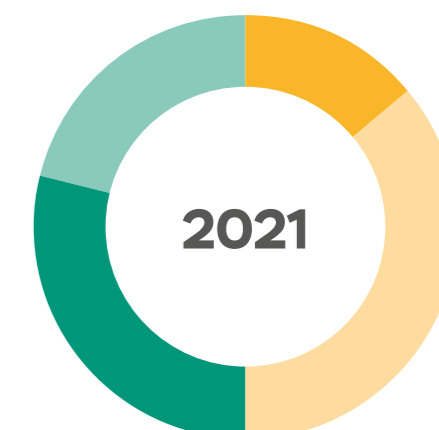
Polyus recruits and retains employees without discriminating by age. In 2020, 14% of our workforce was aged below 30, while employees in the 40-50 year age group comprised 29% of personnel. Employees aged 50 and over made up 21% of the workforce. The largest proportion of manual workers was in the 30-40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

Polyus complies with all respective legal requirements related to employing people with disabilities. In 2021, the Company employed 33 people with disabilities. The Company also supports retraining opportunities and offers transfers to employees that have received occupational injuries.

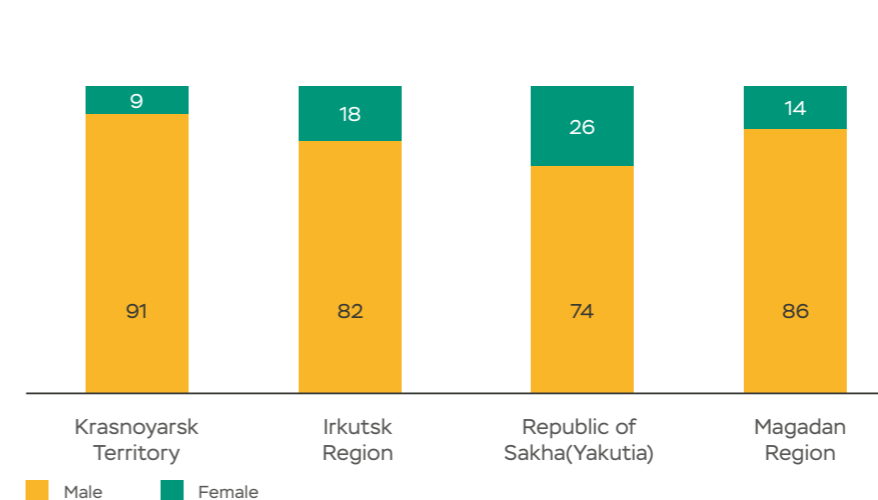
In 2021, a grading project for workers was launched. An assessment of the categories of workers for part of the business unit has already been carried out. The next step is to compare grades between business units, as well as with the grades of companies in the industry. In the future, the indexation of employees' wages will be carried out in accordance with grades.

In 2022, we plan to implement a pilot project at Polyus Krasnoyarsk, to elaborate transaction norms for certain types of equipment and specialties.

#### EMPLOYEES BY AGE, %



#### EMPLOYEES OF MINING BU BY GENDER AND REGION, %



# Human capital

## Motivation

### GRI 202-1

The primary tool to stimulate employees to perform their duties effectively is decent remuneration. The main document of the Company setting the main elements of remuneration and employee benefits is the Internal Incentive and Reward Arrangements for Workers Policy.

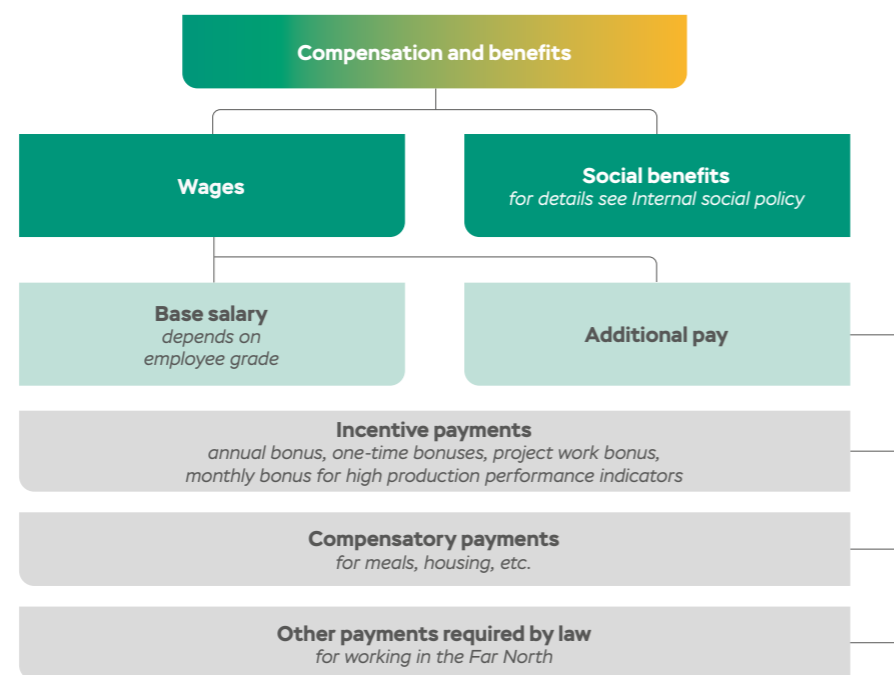
The basis for determining the basic level of remuneration is the employee's assessment results, which are based on the grading system. An employee can become eligible for an additional salary, in addition to the basic salary, upon achieving certain KPIs. A goal tree, with operational KPIs for employees of all positions, has been developed for all business units in the Company

To date, the IT system allows individual KPIs for each position to be tracked in an online format. By defining and monitoring KPIs at the level of business units, we can synchronize them with the operational objectives of the Company as well as the individual goals of employees.

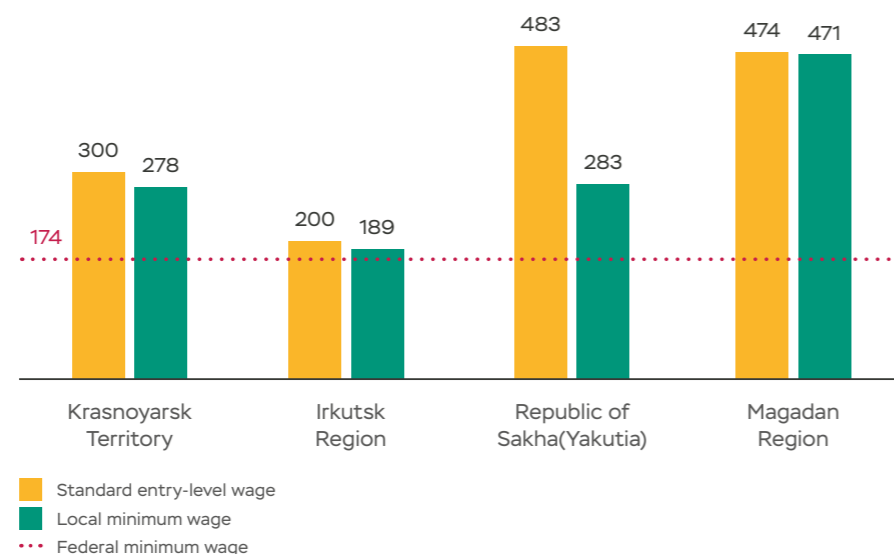
To maintain a sufficient level of motivation for high-performing employees, it is essential to provide them with the necessary support and decent levels of remuneration. We endeavor to set wages at or above the market average. In all the Company's business units, the entry-level salary exceeds the minimum wage in the relevant region. For example, the monthly entry-level salary in the Republic of Sakha (Yakutia), \$483, is about 70% higher than the minimum wage at the local level and almost triple the federal minimum wage for 2021.

The Company does not tolerate discrimination of any kind, therefore the work of all employees, regardless of gender or other differences, is paid on an equal basis based on the type, quantity, and quality of the work performed.

### THE POLYUS COMPENSATION AND BENEFITS PACKAGE



### STANDARD ENTRY-LEVEL MONTHLY WAGE AT POLYUS VS LOCAL MINIMUM WAGE BY REGIONS, \$<sup>1</sup>



<sup>1</sup> The calculation used the average annual dollar exchange rate set by the Central Bank of the Russian Federation for 2021: RUB 73.65.

## Internal social policy

It is important for Polyus to remain among the best and to constantly grow, therefore the Company has a well-developed corporate culture and embraces sustainable values. These set high standards that not only attract highly qualified candidates, but also provide extensive support to existing employees.

In 2017, the Company introduced a General Standard of Social Support for Employees, which still continues to be improved.

The social package is aimed at supporting the health of employees, providing additional assurance during the performance of job duties, developing employees, supporting families with children, and supporting employees in various life situations.

Employees working away from home are compensated for travel expenses to and from the office, provided with accommodation and three meals a day, while employees working in offices receive food allowances.

If work is performed under extreme conditions, the Company provides additional leave. If an employee works and resides permanently in the Far North, the Company compensates them and any non-working members of their family for travel expenses. The state prescribes such compensation to employees only once every two years, however, Polyus provides it annually to both employees and the non-working members of their family.

The Company provides all employees with voluntary medical insurance and insurance against accidents and illnesses, and the list of insured events for which an employee can receive payment from an insurance company is significantly wider than that established by law. Employees also receive compensation for treatments at sanatoria that are recommended based on the results of medical check-ups.

The Company pays special attention to employees with children. For example, employees are given the opportunity to undergo treatment in sanatoria together with their children, or to receive compensation for their child's holiday in a children's camp. The Company also supports employees in challenging life situations: serious illness, fire, theft, etc.

Polyus does not forget those who have retired from the Company: when they leave, they are paid severance pay, and if they fall into a difficult life situation when they are retired the Company can provide material assistance at their request.

In 2021, we held a tender to select an insurance supplier, and as a result of this new options are now available to employees. All employees were covered by accident insurance during the reporting period.

In 2021, we completed a number of projects to construct dormitories.

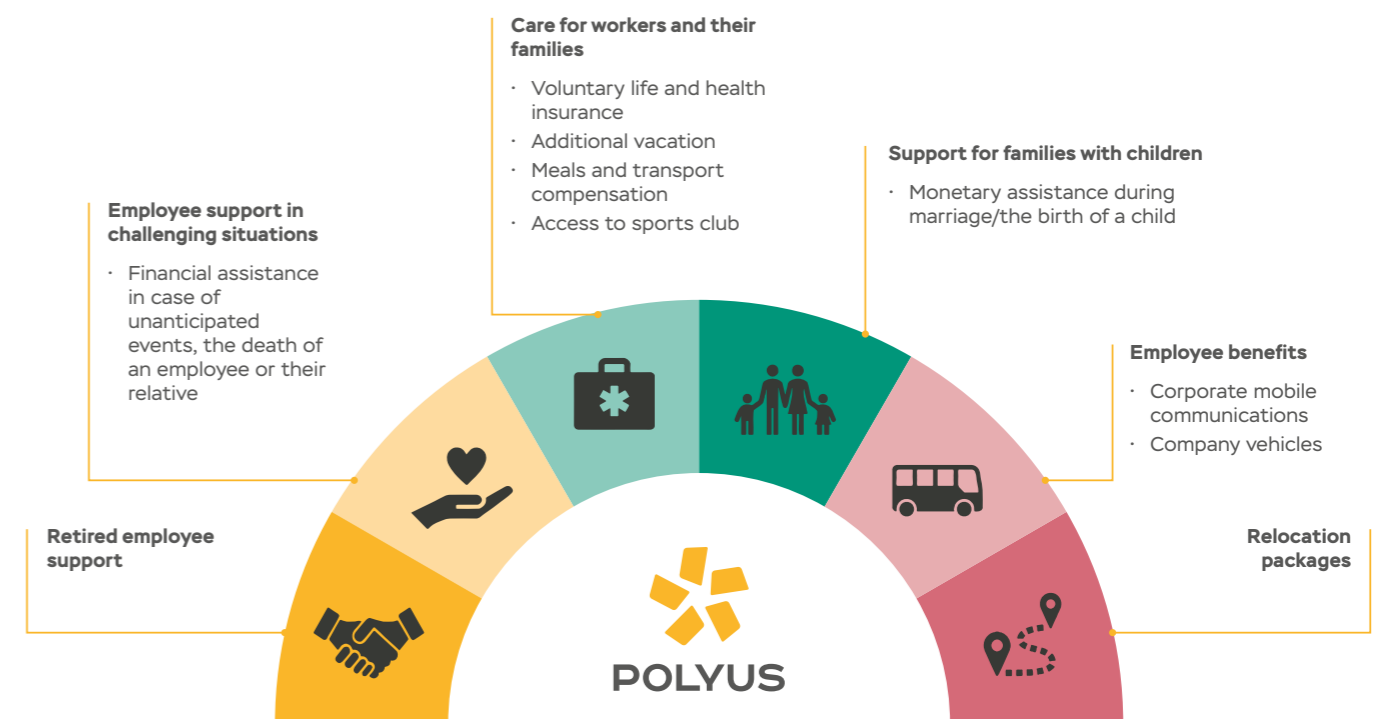
### SOCIAL AND LIVING CONDITIONS AND INFRASTRUCTURE

The basic document that standardizes the social and living conditions provided by the Company to employees during their stay in the Company's dormitories is the Social and Household Standard adopted in 2018. In accordance with the Social and Household Standard, all employees working at remote sites are provided with dormitories, canteens, and leisure and laundry facilities. The living conditions of employees of contracting organizations are regulated through existing procurement procedures.

Each year, in order to account for changes in headcount and other factors, we put together an Infrastructure Development Plan for the next five years. The Infrastructure Development Plan is based on the Social Standard, in terms of the standardization of employees' living conditions.

In the reporting period the Social Infrastructure Development Plan was supplemented by provisions relating to the adequacy of office workplaces and audits of these workplaces. We plan to outline a Business Units Office Infrastructure Development Plan in 2022.

### POLYUS' SOCIAL SUPPORT SYSTEM



## Human capital

### Internal social policy (continue)

The four main sites provide social and living conditions for employees arriving at a particular area:

- Olimpiada and Blagodatnoye: construction of a 246-bed dormitory for workers, begun in 2021. The dormitories currently in use are undergoing repairs.
- Nataka: during the reporting period work was carried out to equip a sports facility.
- Verninskoye: it is planned to build a dormitory with 108 beds and renovate the cafeteria. In 2021, necessary preparatory work and procurement procedures were performed.
- Kuranakh: in 2021, preparatory work was performed for a dormitory planned to be built in 2022.

We listen to the opinions of our employees about the provision of social infrastructure. Based on the results of employee satisfaction surveys, decisions are made on what can be improved without entailing significant investments. Such surveys are conducted at all business units on a monthly basis.

We also monitor the satisfaction of services provided by contractors. Based on the results, contractors carry out work to improve the quality of their work at Company facilities.

Once every 3 years, the Company conducts a market analysis and carries out a tender procedure to select a new supplier (contractor) of social and household services (or, based on the results of the procurement procedure, a contract for a new term with the current contractor can be concluded).

#### SUPPORTING EMPLOYEE VACCINATION AGAINST COVID-19

Polyus employees can be vaccinated against COVID-19 in shift centers and production sites. On Stage I day, a statutory medical check-up is performed prior to the vaccination. A vaccination is performed in two stages, with Sputnik V or EpiVakKorona. Vaccination is the personal choice of an employee. We support employees that wish to receive a vaccination and provide them with the most convenient options for this. Staff are currently being informed about the importance of the vaccination campaign, with a view to achieving collective immunity.

Polyus Verninskoye has a vaccination rate of over 90%. More than 80% of Nataka's employees have been vaccinated against COVID-19. [For details see the Health and safety section.](#)

#### Case study

##### CULTURAL AND SPORTS COMPLEX OPENS AT SHIFT CAMP IN OLIMPIADA

A modern two-story building was constructed in the center of the village. Here employees can not only practice, but also hold sporting competitions, celebrate various holidays, and stage events. The complex will have its own website at which employees can sign up for training and rapidly receive feedback. Leonid Skorik, Chief Engineer at the Olimpiada mine, opened the cultural and sports complex and cut the red ribbon.

In this difficult time of global COVID-19 restrictions, Polyus Krasnoyarsk gives hope to employees. In this difficult time of global COVID-19 restrictions, Polyus Krasnoyarsk gives hope to employees that the situation will normalize in the teams and that there will be a transition to previous, pre-COVID-19 lifestyles.

#### Lesson learned

A modern sports facility that will help Olimpiada mine employees maintain a healthy lifestyle. We expect it to become a focus for cultural and sporting life, and it will hold not only sporting events, but also many other interesting and creative events.



### Volunteering

As part of the corporate volunteering program, which is implemented in various Polyus business units, volunteers provide assistance to those in need, take part in environmental events, and donate blood. Such activities help to unite the team, develop the personal and professional qualities of employees, and make the world around them a better place. The Company's volunteer association includes all volunteer employees and acts under the Polyus brand.

Each year, taking into account the needs of the local population, the regions of operation, and the business strategy, Polyus determines priority areas and projects in the field of volunteering activities.

The main areas of the Company's volunteering activities in 2021:

- sport;
- ecology;
- blood donations;
- helping children;
- assistance to the elderly;
- helping animals;
- intellectual volunteering.

In 2021, Polyus was forced to reduce the total amount of its volunteer projects due to the restrictions imposed by COVID-19. Many traditional forms of volunteering related to personal interaction were transferred to an online format due to the epidemiological situation.

In the reporting period Polyus volunteers made two eco-trips to the Yasnaya Polyana Museum to plant trees and clear the forest. And during the visit of a Polyus team consisting of 40 volunteers to the Aptekarsky Ogorod botanical garden at the Moscow State University, Polyus employees helped to plant tulips and prepare the ground for subsequent plantings.

In 2021, Polyus, together with the Gift of Life Charity Foundation, ran two blood donation campaigns. Polyus employees donated blood for children being treated at the Dmitry Rogachev National Medical Research Center for Pediatric Hematology, Oncology, and Immunology. Over 60 employees took part in the campaign, donating more than 25 liters of blood in total.

In the reporting period around 100 Polyus volunteers took part in two charity races, with money raised donated to the Green Marathon and Life as a Miracle foundations.

As part of the trip to the Husky Help shelter for northern sled dogs, over 50 Polyus volunteers walked dogs and helped sort materials, items, and inventories for the shelter.

20 Polyus volunteers and their children took part in creative workshops to make educational boards, smart tablets, and New Year cards for children from the Nadezhda orphanage in Magadan.

#### Case study

##### GREEN OFFICE OF THE MANAGEMENT COMPANY

Office employees collect and recycle waste paper, batteries, and electronics every year.

Plastic lids are collected in specialized containers as part of the Kind Caps project. Afterwards they are sent to a processing plant and the proceeds are forwarded to the Volunteers to Help Orphaned Children charity fund. With the help of Ecoplatform's reverse vending machine, plastic and aluminum containers are collected and then sent for recycling. Clothes are also collected as part of the Polyus for the Charity Shop project and Second Wind Foundation.

#### Lesson learned

The green office gives Polyus employees an opportunity to contribute to positive social and environmental changes without having to leave the office. And thanks to the convenience and simplicity of the project we are able to attract a large number of employees.



During the reporting period the Company's volunteers, as part of the Pro Bono Day online event, created a scenario for a game for the children of orphanages, to help them get familiar with the world of work. The scripts were sent to the charitable organizations Care is Close and Children of the Whole Country for subsequent adaptation by teachers/psychologists.

In 2021, a collection of humanitarian aid was also organized to support the Big Break Foundation and Children's Home family center in Kuntsevo. Over the two weeks of the campaign the volunteers collected 15 boxes with more than 50 kg of necessary goods.

As part of the annual New Year's charity event "Become Santa Claus!" Polyus employees purchased gifts for children left without parental care. The wishes of the children were posted on a special page of the corporate portal. In 2021, gifts were given to 71 children from the Magadan orphanage Nadezhda and the local orphanage for children with special needs, and another 41 children from the special correctional boarding school in the village of Nizhny Kuranakh. Also, gifts were received by 19 children from the Khimki

social rehabilitation center for minors, 24 wards of the Big Break Foundation, 25 orphans with disabilities in the care of Louis Quarter foundation, and 25 children undergoing treatment for serious diseases with the support of the fund Gift of Life.

In 2021, Polyus Verninskoye organized charity performances for children. Little Red Riding Hood in a New Way was the name of a music performance successfully held in the Bodaibo cultural and leisure center. The author is Valentina Putrya, art director of the Arlekin Theater Studio. Polyus Verninskoye provided financial support for the performance (several performances were charitable).

The charity event Get the Child to School was held in Bodaibo District, Irkutsk Region. It has traditionally been supported by Polyus Verninskoye. As part of the event, 66 children were given backpacks with school accessories, shoes, clothes, and sports equipment. Polyus Verninskoye is a permanent partner of joint projects and significant events with the district administration. In the run-up to the new academic year the Company played an active role in the campaign, donating around \$9,500.

In 2021, Polyus held an educational marathon called Charity Landing, which was attended by about 100 people. During the online classes the Company's volunteers, together with experts and representatives from the largest charitable organizations and social projects in Russia, learned about the wealth of opportunities and areas available to volunteers.

To foster the development of corporate volunteering Polyus holds grant contests. As part of this, employees submit projects to an expert jury, which then selects the best ideas to implement.

Project areas within the framework of the competition include:

- ecology and environmental protection;
- social volunteering;
- helping animals;
- intellectual volunteering.

Polyus provides any employee with an opportunity to receive support and to bring their volunteering ideas to fruition. In 2021, five grant competition winners were selected and these successfully implemented their projects within three months.

In 2022, as part of developing the volunteer movement in our regions of our operation, we plan to:

- hold a grant competition;
- launch an online volunteering school;
- develop a corporate volunteer portal;
- continue with the green office initiative of the Management Company;
- continue with volunteering actions (visits to shelters, etc.) in Moscow.

### Plans for 2022 and the medium term

In recent years we have made a number of significant improvements to the personnel management system. The Company will continue to both replicate and develop existing projects and develop new ones. In the next reporting period and in the medium term Polyus plans to launch initiatives in the following areas:

- The pilot project Transaction, to elaborate transaction standards for certain types of equipment and specialties at Polyus Krasnoyarsk;
- Organizational design projects for the Engineering Unit and Operations and Technical Development Unit;
- Rolling out the Driver project at other business units of the Company;
- Scaling up of the Polyus Class educational project to include school students from Krasnoyarsk Territory and Irkutsk region;
- Engaging with the higher and secondary educational institution partners of the Company.

Health and safety

# Health and safety



**Material topics**

- Occupational health and safety
- Emergency preparedness

**Key events**

- Integration of HSE management system and production management system processes
- Risk-based approach to injury prevention
- Applying ICMM principles and standards to improve the health and safety management system

**UN Sustainable Development Goals**



**ICMM sustainability principles**

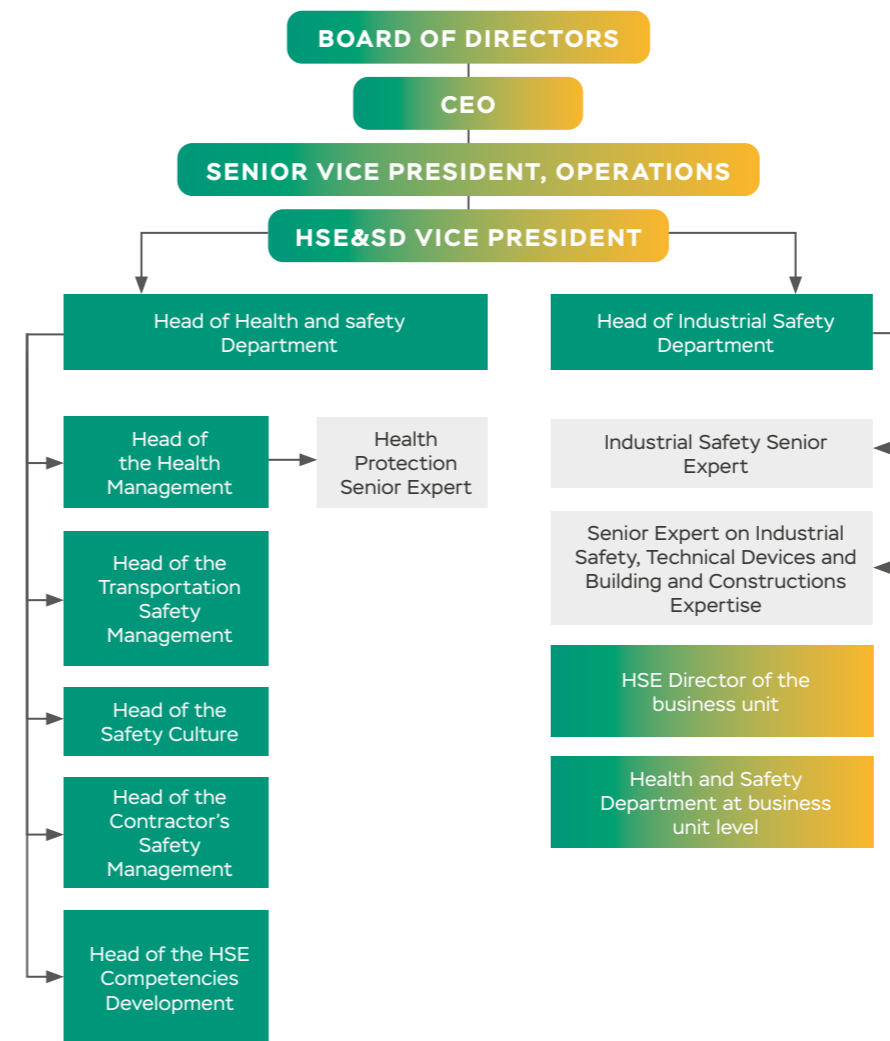


<sup>1</sup> Risk-management.  
<sup>2</sup> Health and safety.  
<sup>3</sup> The occupational disease rate is calculated as the total number of occupational disease cases among Polyus employees divided by the total hours worked, and multiplied by 200,000.

**2021 PERFORMANCE AGAINST GOALS**

| Goal   | Status          | Summary of progress in 2021  |
|--|-----------------|--|
| Zero fatalities  | <b>On track</b> | In 2021, Polyus saw three fatalities among its employees, compared with one in 2020, and one contractor's employee fatality.                     |
| Maintaining the safety culture level   | <b>On track</b> | In 2021, Polyus did not achieve its target safety culture level (2.7 on the Bradley scale) and scored 2.6, the same as in 2020.                  |
| Achieving target LTIFR   | <b>On track</b> | In 2021, LTIFR stood at 0.18 (target value in 2021 was 0.09).  |
| Reducing the automotive accident rate (AARk)                                 | <b>Achieved</b> | AARk fell to 0.14 (0.19 in 2020), on the back of a reduction in tipping-over accidents.  |
| H&S competency development via corporate health and safety training programs | <b>Achieved</b> | HSE minimum level: 96% of employees were trained. Health and safety trainings: 96% of employees were trained.                                    |
| Reducing the number of alcohol and drug abuse cases                          | <b>On track</b> | The number of alcohol abuse cases fell to 80 (110 cases recorded in 2020), however drug abuse cases rose to 11 cases (6 cases recorded in 2020). |
| Reducing the occupational disease rate                                       | <b>On track</b> | In 2021, the occupational disease rate <sup>3</sup> stood at 0.042 and saw a growth from 0.009 recorded in 2020.                                 |

## Allocation of responsibilities



**SAFETY CULTURE SCORE ON THE BRADLEY SCALE**

**2.6**

**OUR LTIFR**

**0.18**

**FATAL INCIDENTS IN 2021**

**3**

**Related 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

## Management approach

### GRI 403-1 · GRI 103-1 · GRI 103-2

The health and safety of our employees is a first priority for Polyus and every risk posed from technological processes or natural hazards is carefully analyzed before any operational decision is made. The Company has always upheld the requirements of domestic legislation as well as internal corporate standards on health and safety (H&S) protection, and embraces leading international practices. The Company strives to create inspiring working conditions by bolstering the safety culture at our facilities and refining our management process.

Health and safety issues permeate all levels of corporate management and every activity of the Company, from strategic decision-making to operational procedures. Polyus applies a structured management approach, and strives continuously to enhance processes, procedures, and control systems. Our HSE Strategy underpins the Company's three strategic pillars:

- Human and organizational factors;
- Safety management system;
- Technical safety.

In accordance with best international practices and to align operations with not only national laws but also voluntary initiatives, as well as ISO 45001 and ISO 14001 certification, an integrated HSE management system has been adopted at Polyus, covering the Management Company and all production facilities. In 2021, the Company successfully conducted a recertification audit, which confirmed that all respective corporate activities and procedures complied with the stringent requirements of the ISO 45001 standard.

### GRI 403-8

The HSE management system covers all facilities and 100% of the Polyus workforce. The system is designed in such a way that all employees are engaged in respective processes, and all necessary measures are implemented in the most efficient way possible. The provisions of the management system are mandatory for all affected employees, regardless of their position or status.

A well-functioning HSE management system supports the leadership and improves the corporate safety culture. Polyus carries out work to develop the safety culture and to maximize the role played by senior management in safety issues.

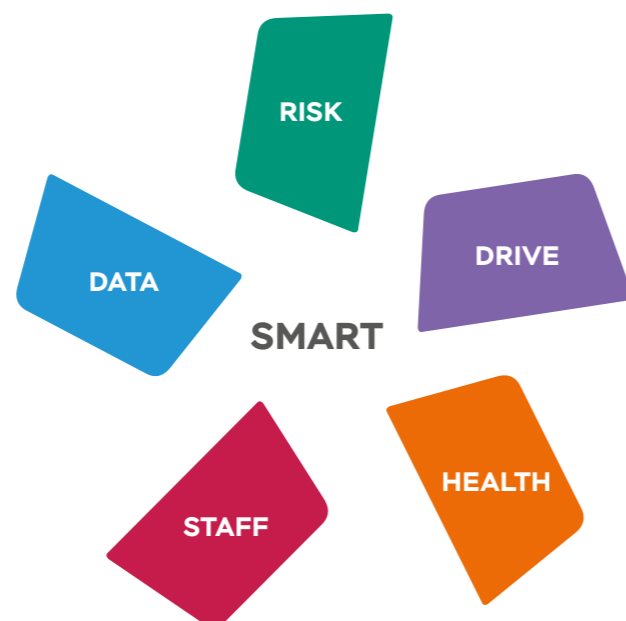
In 2021, a number of adjustments were made to the health and safety organizational structure to enhance the efficiency of HSE management system. Thus, the HSE division led by the HSE&SD Vice President currently consists of four departments: the Health and Safety, Industrial Safety, Sustainable Development, and Environmental and Waterworks Safety Departments. Within the Health and Safety Department there are several units that supervise all streams of health and safety in Polyus. The Health and Safety Directorate is responsible for general compliance with legal and corporate health and safety requirements, risk management, development of the safety culture, IT support and other issues related to the integrated HSE management system. Another stream is engaged in development and implementation of the corporate strategy and approaches in terms of HSE training. Driving safety issues also fall under the remit of the Department and, to this end, the Road Safety Directorate was established in 2021. This managerial body, together with the Shared Service Center, will coordinate all activities and projects related to driving safety, and collate and process all relevant data. Issues related to contractor management are currently handled by the Contractor Safety Management Directorate as another stream of the Health and safety Department, which became a separate unit within the new organizational structure in the reporting period. The Directorate of Health

Protection also reports to the Health and Safety Department and is responsible for employee health, including issues related to the COVID-19 pandemic.

Five key areas of HSE transformation were identified by Polyus in 2021 for the purposes of bolstering our HSE management system. These are:

- implementation of Risk Management Standard and developing a risk-oriented approach;
- automatization of routine HSE processes. Thus, in 2021, the Shared Service Center was established and provides health and safety data consolidation and account and support. The Shared Service Center will facilitate the training process, contractor management, statistics on injuries and accidents, and driving safety data (more information is available in the "Driving safety" chapter);
- improving driving safety performance and culture (more information is available in the "Driving safety" chapter);
- implementation of the "Health protection" concept at Polyus (more information is available in the "Health protection" chapter);
- implementation of the Safety Culture, Leadership and Commitment concept, optimization of training programs, and developing staff competency (more information is available in the "Enhancing safety culture" and "Corporate training" chapters).

### AREAS OF HEALTH AND SAFETY TRANSFORMATION AT POLYUS



### GRI 403-2

Risk management and risk assessment are crucial elements of the whole HSE management system. The HSE management system comprises occupational risk management and a risk-orientated approach, which allows Polyus to coordinate health and safety processes, and prevent and avoid cases that could lead to harmful consequences to our employees. Following best international practice and legal requirements at every production site, the risk management procedure was implemented. Polyus regularly performs HSE risk assessment at our facilities using modern tools and the latest advances in science and technology. Our workplace standards, standard operational procedures (SOPs), and business processes are based on risk assessment and risk management considerations. We believe that the timely identification, analysis, and assessment of occupational risks, alongside the implementation of modern tools to address them, play a crucial role in HSE management, and ensure good health and safety performance.

In terms of risk management, the first steps were taken in 2021 towards establishing an integrated risk management system and developing new risk management methods. Our risk management system integrates technological and HSE processes, based on the Polyus belief that efficient production cannot be dangerous. In late 2021, a new risk management standard was adopted, which sets out subjects and topics relating to both production and HSE processes. This standard also sets out the general approach to risk management in Polyus, as well as risk rankings and risk monitoring. Polyus plans to introduce the standard at Pilot facilities and to make relevant adjustments in internal documentation over the next year.

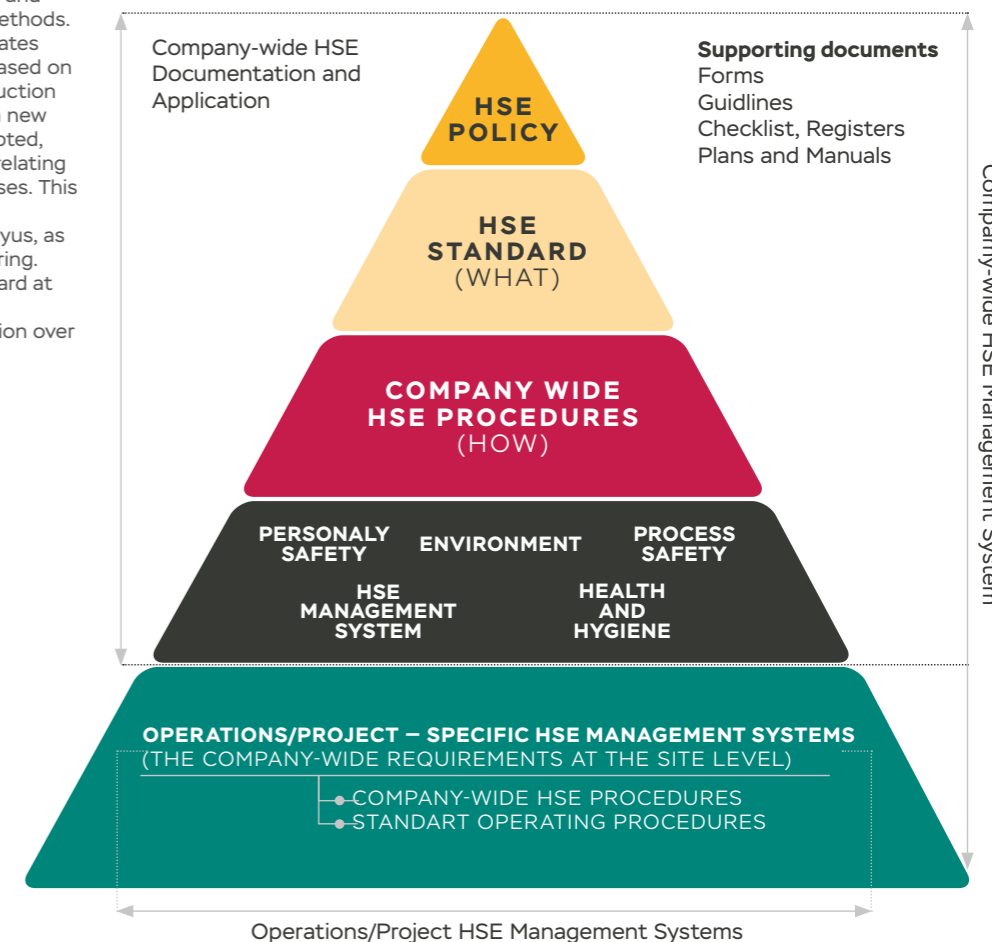
In 2021, the Company continued to realize an initiative on mitigating key risks of injuries:

- electrical safety;
- working at height and preventing falls;
- transport safety;
- moving gears and mechanisms.

When developing the corporate safety culture, Polyus makes everything to improve the level of competence of employees in risk management. Our staff are authorized to suspend or halt operations if they observe a perceived hazard or any unsafe behavior, and all interruptions to work are analyzed in detail in order to forestall the same risk of injury in the future. In order to motivate and involve employees in HSE programs, personal initiatives from our employees are encouraged to boost the level of safety in the workplace.

During the process of changes in the Russian legislation in the field of HSE, many internal standards, were amended within the HSE management system. Safety briefings programs including those related to works at height, operation of electrical units, handling operations etc. have been reviewed, as well as other local documentation based on updated regulations. Polyus continuously tracks all amendments and changes in domestic legislation in order to meet state requirements. All standards are also regularly updated to ensure that changes in legal requirements are reflected in internal corporate standards.

In 2021, the approach to corporate leadership development was changed. The company's management has defined common criteria for the development of HSE management system and the production system, as well as stressed the importance of developing not just a safety culture, but the culture of the entire production.



# Health and safety

## Enhancing the safety culture

In 2021, Polyus shifted its focus towards forming an overall production culture rather than a purely safety culture. In practice, this translates into building a relationship between processes aimed at efficient and safe production, where safety is not just a priority but a key indicator of the corporate culture. Polyus is striving to create a unified business system where safety and efficiency are equal values and key drivers of development.

Culture is always about people and their values. Behavior translates values and therefore shapes the culture. When we talk about its evolution, we imply fostering values and cultural influence on behavior. As leaders foster production culture, Polyus paid special attention to programs aimed at developing leadership and improving the engagement of leaders in safety-related processes. The latest change included leadership criteria targeting the cultivation of the production culture. If earlier these were perceived solely as health and safety drivers, now these also cover the production system. This will make it possible to define the standards of conduct for leaders in terms of fostering production culture and ensuring workplace safety.

To comply with these criteria, leaders visit production sites, run behavioral safety audits, initiate projects to improve safety and efficiency, take part in workplace injury investigations, publicly declare the importance of HSE initiatives, allocate respective funds and much more.

Polyus has several leadership development programs targeting different groups. The "Change Leaders" project being rolled out at Verninskoye is aimed at engaging managers and workers, making it possible to shape standards of conduct for blue-collar workers, identify opinion leaders and nominate them as change leaders and role models. The criteria for Change Leaders were developed as part of the project to help identify candidates to participate in the program. Very soon, this project will be scaled up to all Polyus enterprises. Some business units went beyond the corporate requirements, pushing the limits of existing programs and offering their own suggestions. For example, at Polyus Verninskoye all immediate supervisors are personally responsible for developing one component of the HSE management system directly affecting safety.

In the reporting period the Management Company and Polyus Project joined the

### Case study

#### THE "I'M THE OWNER" AND "I THINK ABOUT RISKS" SAFETY INITIATIVES AT POLYUS VERNINSKOYE

With a view to increasing employee engagement in safety production issues, two new initiatives were launched at Polyus Verninskoye. The aim of the "I'm the Owner" project is to instill a sense of responsibility for everything an employee does at a facility, be it a production or safety issue, by nurturing team work and prudent production methods and performing risk assessments. We endeavor to involve each employee in the process of implementing corporate goals in such a way that everyone can say "I am a Boss" at a facility.

At Polyus we believe that every incident is preventable. The "I Think About Risks" project seeks to raise risk awareness among employees. Polyus seeks to create a model of employee behavior that involves the fulfillment of all rules, procedures, and regulations at any time, even when no one is overseeing a process, thereby making an employee personally responsible for safe behavior, risk assessment, and any consequences. Over 135 employees were trained under the "I Think About Risks" project in 2021. We are confident of the ability of Polyus employees in this regard, as well as their knowledge of safety rules and production process specifics, which closely align with our project.

#### Lesson learned

Nothing matters more than the health and safety of our employees. The new initiatives implemented in 2021 are an important step towards avoiding serious incidents in the future. Skills obtained during projects help employees perform their duties independently and with integrity.

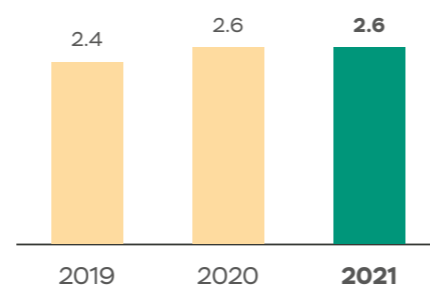


<sup>1</sup> Risk-management.

project on safety culture development and were included in the scope of safety culture assessment. Preliminary assessments performed showed that corporate management is well informed about industrial risks and health and safety issues, and is fully ready to contribute to enhancing the safety level and actively engage in health and safety issues.

In terms of the annual safety culture assessment, in 2021, Polyus failed to

#### SAFETY CULTURE DEVELOPMENT UNDER THE BRADLEY SCALE



achieve its target level of 2.7 on the Bradley scale, and retained the previous year's value. Verninskoye and Kuranakh are leaders among Polyus facilities in this regard: their safety culture level stood at 3.6 and 3.3 on the Bradley scale, respectively. This was facilitated by a strong leadership structure, promoting responsible attitudes among local teams, great teamwork, and various corporate initiatives aimed at achieving a healthy safety culture. Safety behavioral audits are now standard at Verninskoye. During audits all employee activities within production processes are monitored, so that the auditor can carefully examine any mistakes and gaps and explain to the employee the appropriate methodology to be followed. All dangerous actions or situations are also identified and analyzed. Each head of division is obliged to conduct at least two audits twice a month.

The results of safety culture assessments provide us with an internal benchmark that helps bring other facilities up to the leading level, improves local health and safety standards, and establishes a behavioral model at each Company facility.

In 2021, during safety culture diagnostics the issue of concealing and not reporting incidents and health and safety violations by Polyus employees was identified. This is due to concerns over annual injury rate KPIs, that is, that the LTIFR target would not be met. As Polyus embraces a high-level safety culture, it was decided to balance our health and safety KPI system with leading indicators and reject LTIFR performance as a main health and safety

KPI for employees and managers. From 2022 Polyus plans to implement new proactive KPIs, such as cases of near misses or hazardous actions identified that will provide information about the efficiency of the H&S management system in general, provide warnings about any system weaknesses, and enable preventive measures to be taken, and risks or threats to be addressed before they become an incident.

In 2021, within the digital transformation framework, Polyus continued to develop the project on automatization of HSE processes, based on the digital platform. The project helps to organize and monitor compliance with relevant legal requirements and covers three Polyus facilities (Polyus Logistics, Polyus Verninskoye, and Polyus Krasnoyarsk). In 2022, we plan to include Polyus Magadan within SAP functionality. Health and safety processes are consolidated into a single information space that facilitates the work of HSE specialists. The system enables hazardous situations to be recorded, investigation results to be registered, incident root causes to be analyzed, and appropriate decisions to be made, as well as data to be collected and analytics on repeated violations to be supplied. All analytics data is available to the heads of departments on graphic panels in real time.

#### GRI 403-2 · GRI 403-4

Polyus requires all employees to be actively engaged in the process of building a safe working environment, and encourages employees to never conceal or misrepresent the circumstances of HS violations. For Polyus' management it is important to receive transparent and regular feedback from employees on site. A number of communication channels are available for addressing health and safety issues:

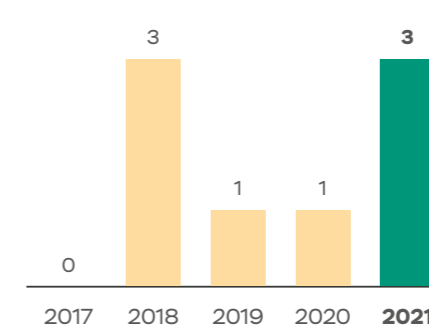
- email, telephone, and mobile devices;
- H&S reviews and audits;
- H&S instructions;
- meetings between central safety and safety committees at business unit and support services level;
- meetings between the Management Company's H&S managers and business units and support services;
- information campaigns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

#### GRI 403-4 · GRI 403-9

Preventing occupational injuries of any kind is a top Polyus H&S management system priority, and it involves taking all respective preventative measures to minimize the risk of injuries to people to zero. Polyus actively promotes a safety-first mentality among all our employees and contractors, with the aim of attaining our goal of zero workplace injuries and fatalities. Injury prevention seeks to early identify and eliminate factors and risks of injury in the workplace in order to reduce injuries, illnesses, and fatalities at work. A range of targeted programs and initiatives have now been implemented in the majority of Polyus sites.

Effectively managing safety risks is essential to protecting our employees and the communities in which we operate. Polyus is focused on identifying, assessing, and managing risks associated with hazards in the workplace and production operations. When identifying and managing safety risks the Company is guided by regulatory acts and internal standards that are often even more stringent than the requirements prescribed by domestic law. Polyus is committed to adhering to regulations from the Ministry of Labor and the Federal Environmental, Industrial and Nuclear Supervision Service (Rostekhnadzor), as well as state standard requirements (GOST) and other regulatory documents.

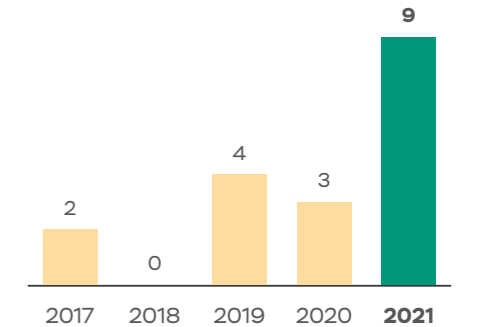
#### TOTAL NUMBER OF EMPLOYEE WORK-RELATED FATALITIES



Polyus is committed to eliminating or minimizing hazards and ensuring employee protection within a generally accepted hierarchy of controls:

- technical measures (e.g. encasings, exhausts, blocking systems);
- organizational measures (e.g. assessments of special work conditions, trainings, operational instructions);
- personal measures (e.g. wearing PPE to carry out a particular H&S activity);
- behavioral measures (e.g. peer observation and supervision, toolbox talks, safety briefings);
- insuring employees against accidents at work, including a social security scheme.

#### TOTAL NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCL. FATALITIES)



The Company requires all incidents to be investigated, the root causes to be ascertained, and for respective lessons to be learned. Whenever there is an incident, Polyus investigates it in accordance with domestic legislation and internal standards and performs an in-depth analysis of what occurred, with a view to identifying any weaknesses in daily operational activities and making them safer. The investigation process involves assessing all possible H&S risks: from technical failures to employee fatigue or emotional influences. We learn from each respective incident so as to be able to avoid the same thing happening in the future. We also share investigation findings with our workforce and senior management.

In 2021, the Company recorded growth in the number of injuries, including cases of fatalities among our employees and contractors compared to the previous year. Despite all the efforts made, 2021 claimed the lives of three Polyus employees, including one contractor, for various reasons, including a road accident and electrical shock. We are extremely upset by these losses and express our deep condolences and sympathies to the families of those who lost their lives. An in-depth investigation has been conducted on each of the cases involving fatalities. We capture each respective lesson to prevent similar tragedies in future.

According to accident investigations reports analysis no accidents or fatalities were occurred with the representatives of local communities.

# Health and safety

## Injury prevention (continue)

42 incidents were recorded at Polyus facilities in 2021. The Company's injury reports indicate that the most common injuries are due to falls and trips; impacts from moving parts, rotating parts, and flying fragments; and getting caught between fixed and moving objects, parts, and machines. The issues behind the main causes of incidents saw no changes in 2021:

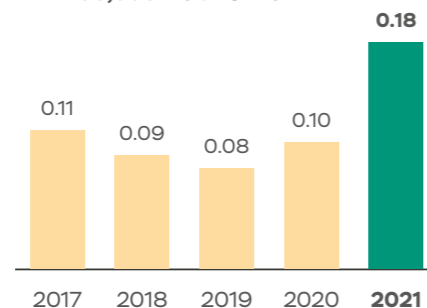
- lack/insufficiency of leadership and commitment;
- non-compliance with procedures and instructions;
- insufficient / low-quality training;
- poor hazard identification or inadequate responses to hazardous situations identified.

In order to timely address, analyze, and effectively manage H&S risks in a timely manner, special working groups have been created in each business unit. Each business unit has identified its own remedial activities, based on their specifics, inherent risks, and recorded cases of injuries and violations, as well as common measures applied at all Polyus facilities. Key initiatives to prevent injury risks in working groups comprise:

- reducing the risk of falls: measures are constantly being introduced at all BUs (stops, sidewalks, stairs, routes are built);
- alleviating risks related to moving and rotating parts; a project to install labels and warning lights is under way across all BUs;
- mitigating electrocution hazards by implementing respective initiatives, in line with the 2021 plans of working groups;
- rolling out the LOTO project across all BUs. An expert visit was held at Polyus Verninskoye and Polyus Krasnoyarsk to assess the existing system and to make further recommendations.

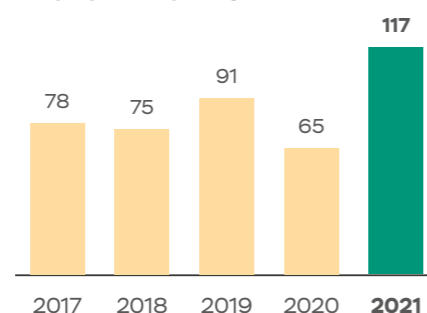
The wide range of H&S performance indicators are tracked and carefully analyzed by Polyus to ensure the health and safety of our employees and to reveal our weaknesses in a timely manner so that corrective measures can be implemented. In 2021, LTIFR stood at 0.18, which is higher than 2020's figure of 0.10; thus Polyus failed to achieve the target value of 0.09.

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



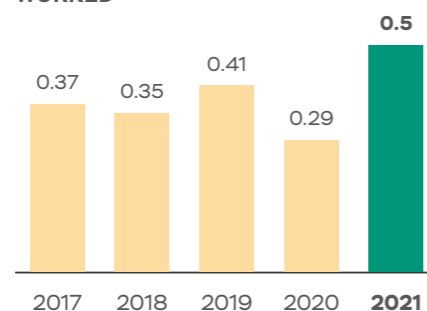
The TRI indicator almost doubled in 2021, compared to the 2020 figure of 65, and amounted to 117 cases.

**TOTAL REGISTERED INJURIES (TRI) AMONG EMPLOYEES**



The TRIFR indicator experienced an increase, from the lowest value for the period since 2017 of 0.29 to the 0.50 recorded in 2021.

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



### Case study

#### EMPLOYEE SAFETY AROUND OVERHEAD CRANES

Moving machinery is one of the main causes of serious injuries. The aim of this new project is to warn personnel about nearby overhead crane operations, thereby minimizing the risk of injury from inappropriate actions during loading/unloading operations. Hence overhead cranes at Olimpiada, Nataalka, Kuranakh, Alluvials, and Verninskoye are planned to be equipped with a warning light system that activates when the crane begins to move. Six cranes at Olimpiada and Nataalka, two at Verninskoye, and one at Alluvials were selected for the installation of warning lights. We are proud to report that 100% of cranes (three truck shop cranes and five cranes at the mill) at Kuranakh were equipped with lighting systems in 2021. Warning lights were also installed on dredge №70 at Dalnaya Taiga (Alluvials) in order to demarcate the bucket chain operation area.

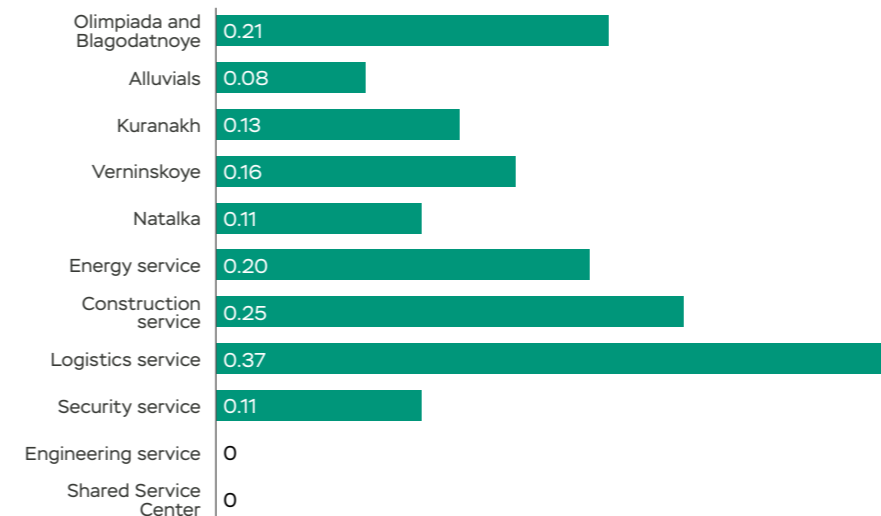
In the near future Polyus plan to equip all cranes at all business units with warning lights.

#### Lesson learned

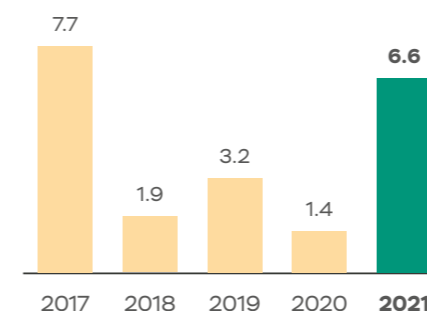
We perceive 80% of information visually. That is why we are confident that this latest initiative will help us further protect our employees and contractors engaged in cargo handling operations. The warn lighting system enables employees to recognize that the crane has started to move in a timely manner and to be more cautious.



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

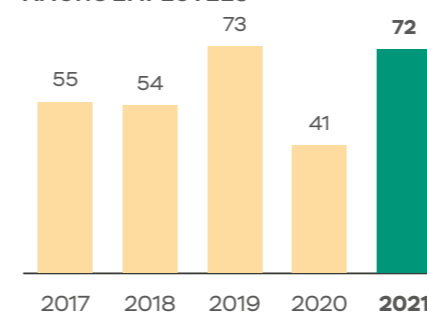


**LOST DAY RATE<sup>3</sup> AMONG EMPLOYEES**

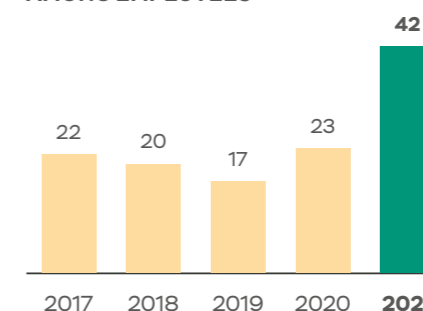


Keeping in mind the H&S indicators mentioned above MTI saw a growth of 75% in 2021 compared to 2020 and amounted 72 cases.

**MEDICAL TREATMENT INJURIES (MTI) AMONG EMPLOYEES**

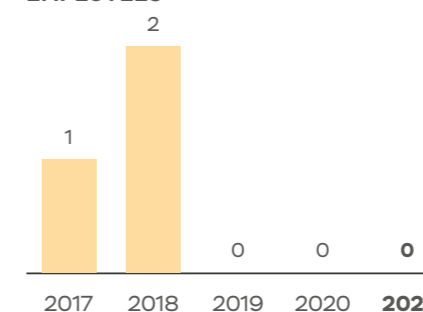


**NUMBER OF LOST-TIME INJURIES (LTI) AMONG EMPLOYEES**



Polyus is proud to report the third consecutive year since 2019 without restricted work injuries recorded, which is the result of the considerable efforts that Polyus has made over the years to make every daily routine operation safer.

**RESTRICTED WORK INJURIES AMONG EMPLOYEES**



<sup>1</sup> Risk-management. <sup>2</sup> Health and safety. <sup>3</sup> 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

## Corporate training

### GRI 403-5

Professional education and training are key ways to inform employees about workplace hazards and controls, so that they can work more safely and be more productive. Our employees regularly undergo full and up-to-date mandatory training and tests, in line with stringent domestic law requirements. All employees also undertake regular mandatory briefings, including introductory, initial, refresher, unscheduled, and ad-hoc briefings. Briefings and training are held in line with approved programs.

There are five main topics within corporate H&S training, which provide the foundation for basic and advanced knowledge in the area of health and safety:

- HSE minimum, required for all employees;
- HSE for line management, HSE for senior management (Leadership);
- safety culture development and injury prevention;
- the Driving Safety program;
- health training.

In 2021, Polyus managed to train 28,515 employees within the safety culture development and injury prevention program. 5,288 employees have received medical training under cardiopulmonary resuscitation and first aid programs.

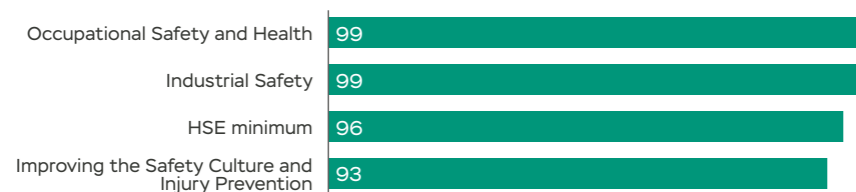
The COVID-19 pandemic forced the training process within the Company to be altered: many educational programs switched to an

online format, and this led to a deterioration in the quality of trainings. With the aim of bolstering employee knowledge, and particularly that of new joiners, a new short express program containing basic Polyus safety rules and standards was produced. This four-hour training session is based on the injury prevention corporate program and is intended to familiarize participants with key H&S risks, such as transport safety, working at height, working with electrical currents, and moving gears and mechanisms. Local health and safety specialists organize the module and share their knowledges with other employees.

In 2021, the Company began to roll out electronic passports for employees. This initiative enables up-to-date data about all employees and their workplaces to be collated and consolidated, including such information as the status of all required briefings and mandatory training, the provision of overalls and PPE, the results of medical check-ups, and any inherent workplace risks an employee may be subject to. During the reporting period technical solutions and software were developed. A version of the electronic passports has already been trialed at Olimpiada and in 2022 Polyus plans to extend the initiative across other facilities.

In 2021, Polyus Verninskoye, together with Baikal Training Center, organized internal training for employees aimed at developing the safety culture, as part of the I'm the Owner and I Think About Risks initiatives.

### PROPORTION OF EMPLOYEES TRAINED IN CORPORATE COURSES, %



## Driving safety

### GRI 403-2

Vehicles are used extensively in our daily operations, both in production processes and in transporting employees to Polyus group facilities. Polyus pays particular attention to driving safety as a key element in the corporate safety culture, and strives to prevent traffic accidents involving vehicles, including heavy pit machinery. The Company regularly implements new advanced technologies based on machine intelligence, which protect the drivers and passengers of our vehicles.

Unfortunately, the number of road accidents experienced a growth from 42 in 2020 to 72 in 2021. 10 of the road accidents recorded in 2021 were classified as serious accidents. The greatest number of accidents (59 in 2021) were classified as minor with a low potential for danger and severity (scratches, damage in a collision involving a barrier or gate), with one case considered a major accident. Polyus acknowledges that the majority of road accidents recorded in 2021 (57 cases) are attributable to corporate drivers' mistakes due to fatigue or falling asleep while driving, non-compliance with the driving safety rules, incorrect actions on the part of the driver during changing road conditions and other reasons. Only four cases were related to third-party drivers' mistakes.

However, the AARK indicator still shows a positive trend and fell to 0.14 in 2021. The TAARK indicator, which includes all road traffic accidents whatever their severity increased slightly in 2021 and stood at 0.75.

Polyus is committed to making our transport operations safer from year to year. We regularly implement new initiatives, and develop new projects within our aim of enhancing our driving safety.

In 2021, at the corporate Shared Service Center, Polyus established a trip monitoring function, whose aim is to collect in a single informational space (dashboard) all technical data and statistics during a trip and ascertain whether they meet Traffic Safety Management corporate standard requirements. This initiative also helps to identify any behavioral deviations on the part of drivers that could lead to an accident in a timely fashion. The monitoring of indicators (speed, route deviation etc.) is performed via instruments installed in the vehicle, as well as special digital systems. In the event of any violation or deviation, a notification is issued and sent to the officer in charge. In 2022, Polyus plans to upgrade the system and begin to monitor data and relevant indicators in real time in order to prevent breaches.

The behavioral aspects of safety are often underestimated and not taken into account when elaborating measures to improve the transport safety system. In 2021, Polyus also devoted particular attention to a root cause analysis of safety rule violations by Company drivers, hence a new initiative targeted at enhancing the safety culture of drivers was launched at Logistics service facilities in Magadan, Krasnoyarsk, Irkutsk, and the Republic of Sakha (Yakutia). The key project goals are:

- reducing the annual number of road accidents by 50%;
- achieving zero fatalities and zero grave injuries in road accidents;
- raising the driver's safety culture level to 3.0 on the Bradley scale.

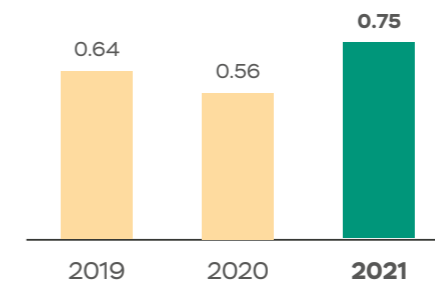
As part of the project external experts performed diagnostical audits at four facilities, reviewed all relevant documentation, and held over 200 interviews with drivers and management at facilities in order to determine the current status of the transport safety system. Based on the audit results, a comprehensive analytical report and road map containing necessary remedial actions were developed and strategic sessions carried out. In 2022, Polyus expects some road map measures to be implemented at Logistics service facilities.

In June 2021, the Logistics service launched a project to train low-skilled truck drivers from scratch. The multistage training program comprised a preliminary theoretical module with in-depth analyses of real cases, special on-the-job training, and supervised practical training in pit lorries. The program addresses issues such as vehicle construction, the specifics of cargo transportation, health and safety rules, industrial and fire safety, and pre-trip risk assessments. The project is being realized jointly with external experts who facilitate the training process.

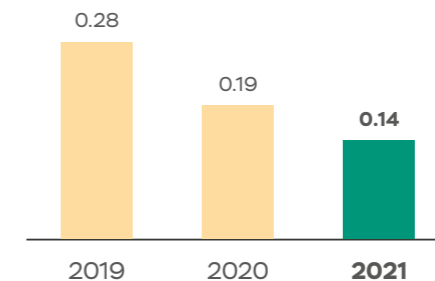
In 2021, Polyus also performed a transport safety self-assessment using an ICMM checklist in order to meet stringent international safety requirements.

The Company also pays significant attention to reducing human error when it comes to driving safety. In 2021, Polyus conducted special training in this regard, including advanced theoretical and practical modules for the personal drivers of senior management.

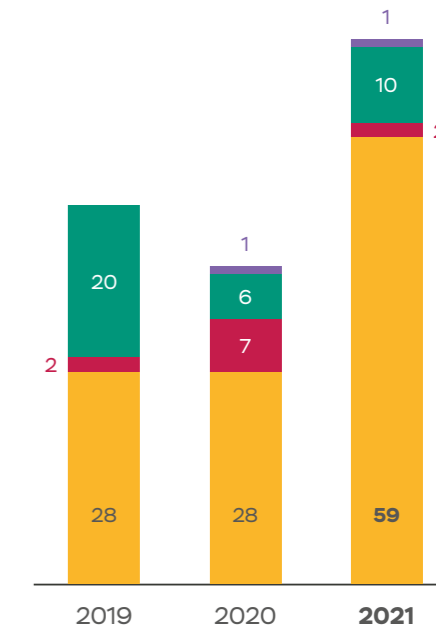
### TOTAL AUTOMOTIVE ACCIDENT RATE (TAARK) PER 1 MILLION KM



### AUTOMOTIVE ACCIDENT RATE (AARK) PER 1 MILLION KM



### ACCIDENT SEVERITY ANALYSIS



## Health and safety

### Contractor management

**GRI 403-9**

The role that contractors play in Polyus' daily operations cannot be overestimated. The ICMM Principle "Pursue continual improvement in health and safety performance, with the ultimate goal of zero harm" and our commitment to maintaining a stringent safety culture obliges Polyus to carefully assess the level of occupational health and safety of organizations when selecting contractors.

The key Polyus document regulating health and safety within contractor management is the Contractor Safety Management Standard, which establishes a list of requirements for the contractor selection procedure and performance monitoring, sets forth duties and responsibilities, and establishes types of reporting documentation, as well as health and safety checklists and requirements for contractor agreements. This comprehensive regulation contributes to the establishment of a unified approach to H&S risk management and further bolsters the corporate safety culture.

In 2021, another top-level contractor management document was created and introduced at Polyus, the Supplier Code of Conduct, which summarizes the basic general requirements for contractors regarding H&S management systems. Preference is given to companies that demonstrate the greatest level of commitment to operating safely.

During the reporting period Polyus Krasnoyarsk ran a pilot initiative, together with an external consulting company, to establish guidelines for contractor selection at the pre-tender stage. The new procedure involves selecting a few potentially suitable companies among the tender participants, and an agreement on cooperation and holding a diagnostic audit (including onsite visits) is drawn up. During the audit the H&S management system of the potential partner company is assessed and a gap analysis conducted. In order to be successful in the tender, a plan of remedial actions is developed, based on the audit results, and any identified gaps are eliminated.

In order to bolster contractor engagement in H&S and boost the safety culture level, Polyus decided to create a new system of positive motivation, and in 2021 a draft document on material incentives for contractors was developed. The document establishes motivational tools for contractors' employees and sets rigid requirements on reporting on the use of allocated funds, in order to make the motivational system more transparent. This ensures that strict controls are in place over how funds are allocated by Polyus. We expect the regulation to be adopted shortly.

Polyus continues to roll out the annual risk-orientated campaigns Caution - Rollover!, Buckle Up, and High Five! for contractors, especially those involved in transporting hazardous materials and employees. These activities are implemented in all Company business units and contractors regularly report on the results. These campaigns, which are mandatory, will continue in 2022.

Contractors are part of the Polyus team; therefore, the health and safety of the Company's contractors is as important to us as the health and safety of our employees. Polyus works closely with regular partners, supports their development in the area of health and safety, and encourages them to constantly improve. With the introduction of new corporate risk management standards, appropriate tools (risk identification, dynamic risk assessments, etc.) will also cover our contractors, as their employees face the same hazardous production-related situations.

The Company continuously monitors the safety of contractors at all production sites. Each business unit has an annual contractor safety management standards implementation plan and issues a related performance report. These plans stipulate that at least four meetings with contractor managers and H&S officers be held every year, in order to raise awareness of any deviations and concerns and to timely resolve every issue identified.

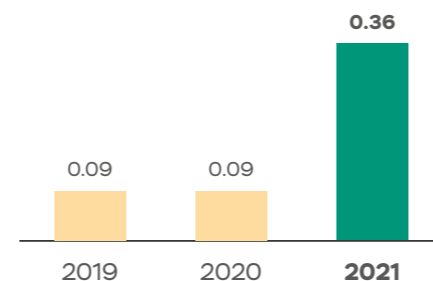
Unfortunately, in 2021 the values of main health and safety injury indicators among contractors rose slightly. In 2021, 54 road accidents involving contractors were recorded and our AARK indicator amounted 1.27. Our LTIFR also rose slightly compared with the 2020 figure, to 0.36.

The reason behind these negative dynamics was a decline in supervision over safety. We are working vigorously in this area, and currently, in order to bolster supervision at production sites, the additional involvement of H&S officers is being considered.

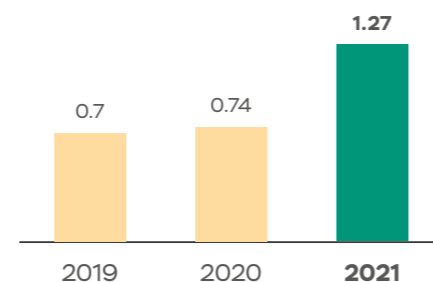
Polyus and its contractors collaborate to ensure that there is a high level of safety. In this regard the Company offers contractors occupational health and safety corporate trainings, which include such basics as first aid, trainings on working at height, keeping safe during building and assembly works, and leadership modules. Polyus has created special video materials for contractors and sent them to all business units, in order to familiarize our partners with corporate safety rules and key risks at Polyus facilities.

We take a very negative attitude towards alcohol and drug use, which violates Polyus policy as well as the Russian Labor Code. The Company monitors the composition of work teams and the condition of machinery and equipment involved in production.

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



**AARK, AUTOMOTIVE ACCIDENT RATE OF CONTRACTORS PER 1 MILLION KM**



Polyus has begun a pilot project at Polyus Verninskoye, Polyus Krasnoyarsk, and Polyus Magadan to introduce personal passports for contractors. These monitor that employees have undertaken all necessary health and safety training and certifications, briefings, medical examinations, and corporate training, and are familiar with the Company's local regulatory documents. In 2022, a decision will be made on whether to continue with passports for contractors or to introduce an additional platform for contractors, where the entire process is automated including the automated monitoring of training and violations, and disqualifying contractors and barring them from other production sites.

### Health protection

**GRI 403-3 · GRI 403-6 · GRI 403-7 · GRI 403-10**

**POLYUS HEALTH CONCEPT**



Employee health protection is another priority area for Polyus. The Company's activities in this area are primarily aimed at improving the health and wellbeing of our employees and contractors.

Polyus has identified several health objectives, the most important of which is to assess and mitigate health risks to our employees and contractors. In addition, the Company strives to ensure epidemiological safety and that medical personnel can mobilize quickly. The health status of our employees is constantly monitored, from the first day they are hired. Polyus performs significant work to enhance working conditions and improve personnel healthcare. Our high-quality medical examination system allows us to detect a greater number of illnesses, including occupational ones, and provide our employees with effective and timely treatment. Since the onset of the COVID-19 pandemic in 2020, the issue of employee health has taken on greater significance and corporate occupational medical services were focused on fighting the pandemic and preventing its spread among employees. To this end, Polyus began a large-scale vaccination campaign against COVID-19. The Company hit an 85% vaccination rate in 2021.

The Company continues to improve the quality of planned medical care, including through voluntary medical insurance, compulsory health insurance, and the Russian Social Insurance Fund. Raising the qualifications, education level, and training of employees, contractors, and medical personnel can improve and maintain the quality of emergency medical care.

Our 2021-2027 safety culture strategy encompasses the implementation of health measures across five areas:

- occupational health (medical support, medical evacuation, professional suitability, medical examinations, etc.);
- ensuring hygienic working conditions (special assessments of working conditions, a production control program) is an important active area;
- medical safety (assessments of health risks with a view to preventing them, monitoring production, the operational readiness of medical teams) is a new component, which implements a risk-oriented health protection approach;
- mental health is a promising area in which expanding the work of psychologists through voluntary medical insurance or a medical provider is envisaged; transferring this over to Polyus control is planned;
- healthy habits and behavior include medically justified measures related to vaccinations, sports, and healthy lifestyles.

The key Polyus regulatory document in the field of health protection is the Medical Support and Organization of Emergency Medical Care Standard, updated in 2020 to take into account the COVID-19 pandemic. In 2022, Polyus plans to update the existing standard and establish a separate corporate health policy.

In 2021, the Company strengthened its entire health care service in the wake of the COVID-19 pandemic. In addition to the Head and Chief Health Expert, a Senior Health Safety Expert was added to the organizational structure of the Company. There were also some organizational changes made to Polyus' business units and support services. The Head of the Health Department was appointed at Polyus Krasnoyarsk. In addition, 37 temporary health positions were created as a result of the pandemic, and we plan to extend these positions until mid-2022.

In 2021, the Company made changes to the Health, Safety, and Environmental Policy in relation to obligations to fulfill sanitary-epidemiological and preventive measures by our structural divisions. In 2022, a new rule will be introduced, under which Polyus employees can go on a business trip only if they have a QR code.

In 2021, the Company approved a new medical care concept, SMARTMed. As part of the first stage, the project entails the outsourcing of Olimpiada's own medical service. A procurement procedure is currently under way to select a new medical provider. By 2025, it is planned to complete the construction of a separate medical center in Olimpiada and expand the medical care offered.

An element of the health automation project was implemented. The Logistics service has already introduced recording the results of medical examinations (periodic, preliminary, pre- and post-trip), which will subsequently be integrated with other automation projects in the form of an employee passport.

## Health and safety

### Health protection (continue)

Polyus requires employees to be able to respond to all types of emergencies, including first aid, and regularly provides them with comprehensive practical trainings. The internal first aid training process is regulated by our corporate standard and consists of the following areas:

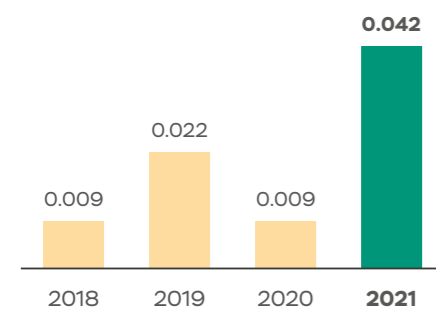
- familiarization and online testing when applying for a job, in accordance with Russian labor legislation;
- first mate training: a two-day hands-on course for non-medical workers using the resources of a third-party training center;
- the first aid campaign, run by our medically qualified teachers using Swedish-made simulators.

In 2021, COVID-19 became the main health protection topic at Polyus. The Company uses a dedicated chatbot that monitors COVID-19 symptoms among employees on a daily basis. We collate and analyze test data using the PCR and ELISA methods, as well as data on hospitalizations and vaccinations using the corporate service STOP.COVID. Each team manager receives a daily newsletter on the current Polyus status in relation to COVID-19. Currently, all employees have QR codes.

Polyus is responsible for implementing all Ministry of Health and Rospotrebnadzor recommendations related to combatting the spread of COVID-19. The Company monitors the health and safety of employees, including contractors. The overall vaccination rate for Polyus employees stands at 85.8%, and 84% of employees have been vaccinated at the Company's largest business units, Olimpiada and Blagodatnoye. Due to the challenging epidemiological situation and the high incidences of COVID-19, doctors recommend revaccination six months after the first vaccination or after an illness. Hence the Company has been conducting revaccinations of employees since August 2021.

The number of cases of occupational disease increased to 10 in 2021, compared to 2020's figure of 2 cases recorded.

#### OCCUPATIONAL DISEASE RATE<sup>1</sup>



#### Case study

##### STOP.COVID CORPORATE SERVICE

Our unique corporate service STOP.COVID is one of the largest information databases on COVID-19 in Russia. The service collates, stores, and analyses data about our personnel, including the number of movements between locations, PCR and ELISA testing results on the presence of antibodies, and vaccination rates against flu, pneumococcal infections, and COVID-19.

As part of the STOP.COVID service we use a chatbot to help conduct surveys related to COVID-19. The chatbot has been successfully launched on the Viber messenger platform. Employees that have tested positive for the virus participate in a daily survey to determine the presence and severity of their symptoms. Based on the results of these surveys, a risk group is determined for further monitoring by medical workers. A similar procedure is used to vaccinate employees against COVID-19. At the end of 2021, at least 70% of employees were using a chatbot on mobile devices.

In 2021, we expanded the functionality of chatbots. The service now records the symptoms of employees after vaccination against COVID-19, conducts a survey to ascertain employee willingness to be vaccinated, and also issues reminders of upcoming vaccinations.

#### Lesson learned

Polyus cares deeply about the health and welfare of its employees especially in light of the spread of SARS-CoV-2. A STOP.COVID service enables us to track the spread of coronavirus among our employees and undertake timely preventive measures to stop it. The new chatbot helps to detect high-risk groups of employees based on surveys results, and puts them under the surveillance of medical staff. Moreover, the chatbot allows us to track vaccination campaign status and reveal lagging facilities and unvaccinated groups of employees in order to develop further outreach campaigns to make the common working environment safer.



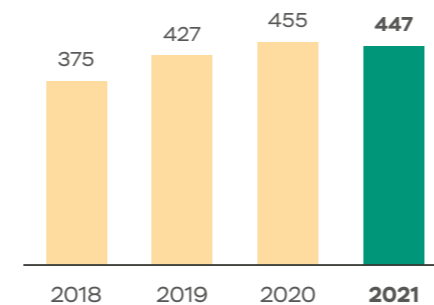
### Emergency preparedness

All Polyus business units are fully prepared to respond to a range of emergencies, caused by either natural disasters or operational incidents.

In accordance with respective Russian legislation requirements, the Action Plans for the Localization and Liquidation of the Consequences of Accidents are in place and annually updated at all Polyus facilities. This document contains comprehensive information about a facility, including the presence of high fire risk installations and materials and other technological specifics, and describes how the facility will respond in the event of an emergency. We test and coordinate our planning with local authorities and community organizations. Polyus facilities also regularly update Emergency Response Plans, which describe the natural risks in a region of operation (floods, earthquakes, bushfires etc.), as well as relevant measures targeted at minimizing the consequences of these risks on employee health and safety, local communities, and business continuity.

Regular theoretical and practical training is conducted at all Polyus facilities. 447 emergency response drills were conducted in 2021 at production facilities.

#### NUMBER OF EMERGENCY DRILLS



#### Case study

##### KURANAKH JOINT EMERGENCY FORCES

In 2021, Kuranakh carried out a range of expert appraisals of industrial safety at its facilities, in order to substantiate deviations from Russian legislation in terms of the organization of mine rescue teams at each hazardous production facility. The Company was able to rationalize the organization of united mine rescue units, which cover all Kuranakh facilities.

The creation of an auxiliary mine rescue team at every facility entails serious organizational challenges that take a lot of time to resolve. Comprehensive theoretical and practical training is run, covering rescue operations, emergency drills and additional medical check-ups, and other factors involving employees in non-production routines.

A safety feasibility study for six hazardous production facilities was prepared and carried out by Kuranakh as part of the creation of the united mine rescue team. A positive industrial safety appraisal conclusion, entered in the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia (Rostekhnadzor) register, was received, and approvals were obtained for safety justifications from the Russian Ministry of Emergency Situations.

The organization of the united mine rescue team made it possible to decrease the number of members of mine rescue teams from 86 to 38, and as a result, reduce by 56% the involvement of employees in non-production functions (training, drills, additional medical examinations, etc.).

#### Lesson learned

The establishment of a united auxiliary mine rescue team enables Polyus to optimize the organizational structure of mine safety units, and reduce the commissioning period of industrial sites, as well as the involvement of employees in non-production functions.

Due to the specifics of Polyus' production activities, some of our facilities are located in areas where there are inherent forest fire risks. In 2021, the Company faced a threat of forest fires close to its assets. Due to difficult forest fire situations in the Irkutsk Region, Krasnoyarsk Territory, and the Republic of Sakha (Yakutia), the Polyus business units affected issued the necessary regulatory documents and implemented a set of forest fire safety measures as follows:

- corporate emergency response forces were put on high alert and the operability of local warning systems was checked;
- fire-fighting inventory storage posts in forest areas were checked and equipped with additional fire extinguishing equipment and tools (based on a list approved by the authorities);
- additional water tanks were installed;
- operational plans to extinguish forest fires were created and approved for each leased forest area;
- the burning of brushwood, the forest floor, dry grass, and other live fuel was banned; starting fires and burning waste were also banned;
- large-scale wildfire extinguishing exercises were held to assess the actions of personnel in the event of a fire. The results of the exercise were used to formulate measures to boost emergency response times.

Some Polyus business units are also located in areas where there is a high risk of flooding. At all relevant facilities food reserves are organized, and stockpiles of sand for backfill are readied in case an access road gets washed out. Polyus regularly monitors the territories adjoining these facilities and assesses the need for any additional measures.

In 2021, external fire safety audits were carried out at all business units to identify gaps and to bolster the fire response system. Based on the audit results a comprehensive remedial plan was developed. All corporate firehouses have been audited by external specialists, as part of plans to outsource them, with a view to enhancing the efficiency of our corporate fire forces.

### Goals for 2022 and the medium term

In 2022, and the medium-term period the Company will seek to further improve its health and safety performance. Polyus has established the following health and safety objectives:

#### As part of fostering the safety culture:

- implement a new leadership approach and extend it across all business units;
- achieve a safety culture level on the Bradley scale of 2.5;
- launch a pilot project to implement new risk management standards at Polyus facilities;
- launch an initiative to improve internal communications and establish a new brand that will convey corporate safety values.

#### Within trainings:

- raise the knowledge level of Polyus newcomers to a sufficient level within two years.

#### Contractor management:

- update the Contractor Safety Management Standard with the new pre-tender assessment procedure;
- continue to roll out the initiative to foster positive motivation among Polyus employees and contractors.

#### Other health and safety initiatives:

- amend the prevention of injuries program and merge it with other safety programs;
- assess employee knowledge of key safety programs and HSE minimum training block programs;
- express training on leadership and risk management, including such topics as the right to suspend work in case of a hazard, and evidence-based recommendations to prevent injuries, etc.

<sup>1</sup> 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.

<sup>2</sup> Risk-management.

<sup>3</sup> Health and safety.

Environmental stewardship

# Environmental stewardship



**Material topics**

- Impact on water resources
- Air emissions
- Responsible tailings management
- Waste
- Biodiversity

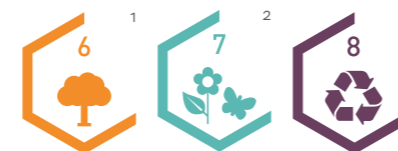
**Key events**

- Publishing the first Polyus Water Report, prepared in compliance with the ICMM's Practical Guide to Consistent Water Reporting
- Certificating the Logistics service and Verninskoye under the International Cyanide Management Code (the Cyanide Code)
- Engaging Golder Associates (UK) to verify the compliance of Polyus' tailings facilities with the Global Industry Standard on Tailing Management
- Completion of the methodological stage of the Automated TSF Monitoring System project
- Expanding the accreditation scope of the LenREM laboratory
- Receiving three ISO certificates (ISO 14001, ISO 45001, and ISO 50001) for Verninskoye and Alluvials
- Beginning work with the Institute of Biological Problems of the North FEB RAS, Magadan
- Supporting a project to study the population of wild animals living in the Vitim Natural Reserve
- Continuation works on reforestation and the release of fish fry into rivers within the framework of the reproduction of biological resources

**UN Sustainable Development Goals**



**ICMM sustainability principles**

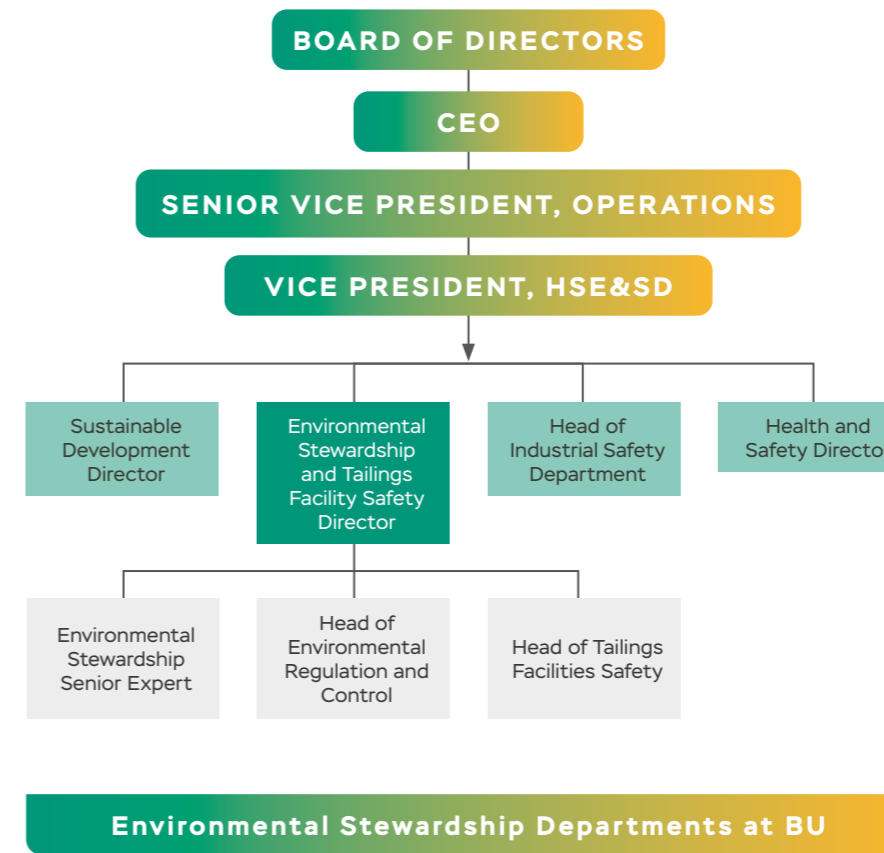


<sup>1</sup> Environmental performance.  
<sup>2</sup> Conservation of biodiversity.  
<sup>3</sup> Responsible production.

**2021 PERFORMANCE AGAINST GOALS**

| Goal   | Status          | Summary of progress in 2021  |
|--|-----------------|--|
| Reducing the water intake from natural sources to 0.22 m <sup>3</sup> per ton of ore | <b>Achieved</b> | In 2021, we reduced our freshwater intake to 0.20 m <sup>3</sup> per ton of ore. |
| Ensuring fees for environmental impact exceeding limits do not exceed \$120 thousand | <b>Achieved</b> | In 2021, we reduced this figure to \$35 thousand.                                |
| Obtaining at least 90% of environmental permits                                      | <b>Achieved</b> | In 2021, we obtained 98.77% of permits sought.                                   |

## Allocation of responsibilities



**IN ENVIRONMENTAL PROTECTION EXPENDITURE MILLION**

**\$14.7**

**OF WATER RECYCLED AND REUSED**

**93.4%**

**SPENT ON BIODIVERSITY CONSERVATION THOUSAND**

**\$59**

**Related documents**

- INTERNAL**
- Sustainable Use of Natural Resources and Prevention of Environmental Pollution, and Tracking and Reporting Environmental KPIs Standard
  - Biodiversity Conservation Standard
  - Reclamation and Mine Closure Standard
  - Cyanide Management Standard
  - Standard for Environmental and Social Impact Assessments
  - Interaction with Contractors on Health, Safety and Environment Standard
  - Gold Mine Waste Quality Assessment System Standard
  - Hazard Identification and HSE Risk Management Standard
  - Environmental Policy
  - Health, Safety and Environment Policy
  - Environmental Reporting Instructions
  - Regulation on timely reporting control
- EXTERNAL**
- UN Global Compact
  - ISO 14001
  - International Cyanide Management Code
  - ICMM Integrated Mine Closure Planning Toolkit
  - ICMM Position Statement on Water Stewardship
  - ICMM Mining and Protected Areas Position Statement
  - IFC Environmental and Social Performance Standards

## Environmental stewardship

### Management approach

#### GRI 103

The preservation of nature in the regions where we operate, the sustainable use of natural resources, and reducing negative impacts on the environment are core aspects addressed by Polyus when performing its operations. The Company adheres strictly to environmental legislation and strives to use advanced technologies that minimize the environmental impact of production activities.

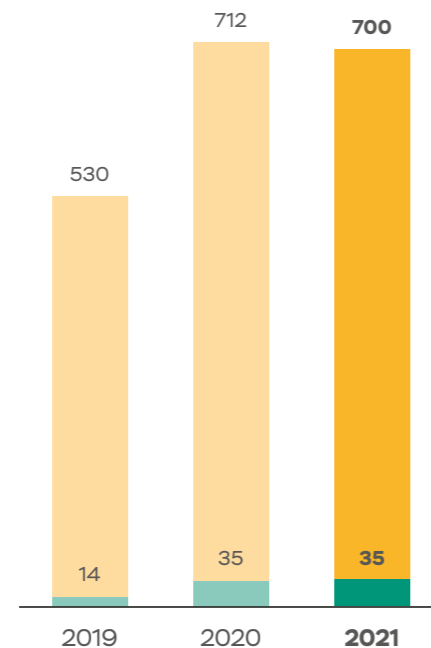
We focus on improving the performance of natural resources management and reducing environmental impacts during all production stages. The Corporate Environmental Policy and long-term environmental management programs provide guiding principles on how to coordinate operations at all Polyus assets. The Company has its own corporate Standard for Environmental and Social Impact Assessments. Polyus regularly assesses potential environmental risks when planning activities, with a view to preventing or minimizing risks.

Our environmental management system ensures that highly effective measures are embraced in the area of environmental stewardship. In early 2021, Verninskoye and Alluvials received three ISO certificates. Consequently, the operating company and all our production assets are now certified for compliance under ISO 14001 and ISO 45001. In addition, Verninskoye has the ISO 50001 energy management system certificate. We endeavor to work transparently and to identify options to enhance our environmental management system, and corresponding audits are carried out annually in Polyus.

In 2021, Polyus' environmental performance was highly praised by external parties. The Company was ranked first in the Transparency Rating of the Environmental Responsibility Project for Mining and Metals Companies of Russia by the Russian branch of the World Wildlife Fund (WWF). For four years in a row, Polyus has been among the top three in the WWF rating, and on two occasions the Company came first in this rating. These results demonstrated that Polyus was one of four companies with the lowest environmental impacts, and the leading company in Russia in terms of information disclosure. It was also among the top five companies in the environmental management rating.

#### GRI 307-1

##### NEGATIVE ENVIRONMENTAL IMPACT FEES PAID BY POLYUS, \$ THOUSAND<sup>1</sup>



■ Above limit fees  
■ Within limit fees

The Company annually sets KPIs for negative environmental impact fees above limit. In 2021, payments for negative environmental impacts declined to \$735 thousand. At the same time, above limits fees have not changed much.

Based on the recommendations of internal audits, in 2021, a document that regulates the timing of reporting, including environmental reporting, was developed.

An integral part of our work in the area of environmental stewardship is the continuous training of our employees. In accordance with relevant corporate courses, we focus on the general principles of responsible environmental conduct and behavior.

Polyus monitors the operation of treatment facilities and equipment at all enterprises, as well as the state of the environment in the Company's regions of operation. Monitoring results are used within planning measures to reduce negative impacts on the environment.

The state authorities annually perform inspections to check that Polyus' enterprises comply with applicable environmental legislation. In 2021, the Company received no non-financial sanctions<sup>2</sup>. During the reporting year, 22 inspections were carried out, and as a result of these, 23 instances of non-compliance with environmental laws and regulations were identified, with fines of \$11.1 thousand imposed.

If the fines for non-compliance with the law exceed the established level, then we consider this case of non-compliance with the law to be significant. There were no significant violations in 2021; identified non-compliances related to incorrect documentation.

#### Case study

##### SYSTEM FOR THE LABORATORIES

The LIMS (Laboratory Information Management System) was implemented in:

- Polyus Krasnoyarsk Assay and Analytical, Sanitary and Ecological Laboratories;
- Polyus Verninskoye Assay and Analytical, Sanitary and Ecological Laboratories;
- LenREM Sanitary and Ecological Laboratories (in commercial operation since 2021).

The system facilitates and supports both the main laboratory processes and external and internal control processes.

LIMS has been successfully integrated with systems such as MES, SuccessFactors, 1C, and MineVision. The Company has achieved impressive results using this system:

- more than 100 reporting forms have been implemented;
- more than 3,000 assays are displayed daily;
- automatic data transmission from 73 devices has been configured.

Polyus achieved the first substantial results of using LIMS in the Assay and Analytical Laboratory. The Company was able to systematically reduce the number of paper reports and the probability of errors in the test results. In addition, Polyus has improved their relevance of reports through the following measures:

- transmitting the results to consumers, the technical control department and technologists only from LIMS;
- integrating LIMS with MineVision (geological samples);
- launching the integration with the Manufacturing Execution System (MES) in pilot mode at Polyus Verninskoye.

The Company is currently replicating the LIMS project to Kuranakh and its laboratories and plans to undergo ISO 17025 standard process certification. In addition, construction and installation works are underway for the completion of a Sanitary and Ecological laboratory at Natalka, where LIMS will also be introduced in the future.

##### Lesson learned

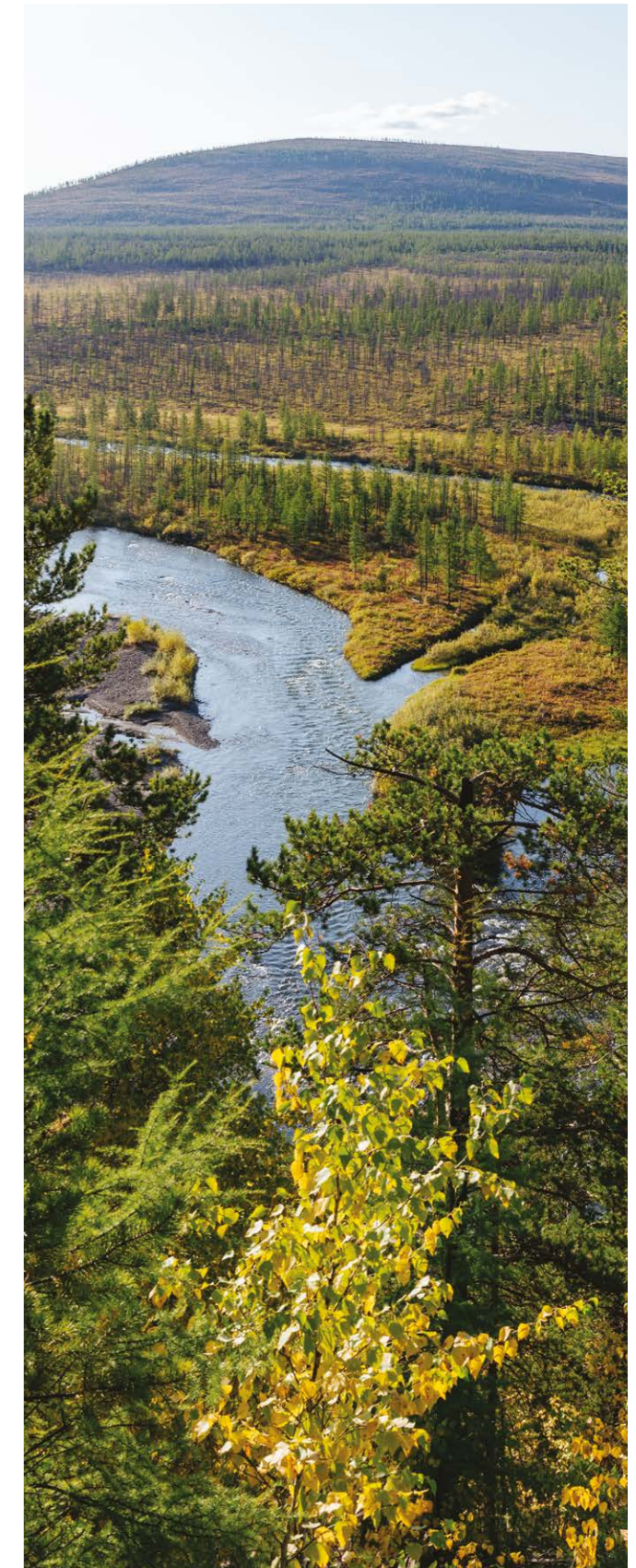
LIMS supports the operational efficiency of the Company and includes an end-to-end analysis process from application to the delivery of results to the customer, automation of routine operations, equipment, claims and document management.



<sup>3</sup> Responsible production.

<sup>1</sup> The calculation used the average annual dollar exchange rate set by the Central Bank of the Russian Federation for 2021: RUB 73.65.

<sup>2</sup> We understand "non-financial sanctions" to mean "government agencies' prescriptions on eliminating violations", which set out the concrete measures a company must take to resolve a violation within prescribed deadlines.



# Environmental stewardship

## Water management and access

### GRI 303-1 · GRI 303-2 · GRI 303-5

Like any mining company, Polyus requires water resources in its production processes. For example, water is an essential component in the hydrotransport system of mining assets. Therefore, planning the development of the Company's production facilities has to include a consideration of water management issues. We endeavor to minimize potential water shortage risks and go further than just complying with legal requirements. This is confirmed by the first Polyus Water Report, published in March 2021, which sets a new model for water management in Russian mining.

Polyus does not operate in areas where risks of water scarcity are high. Nevertheless, the Company strives to ensure that a responsible water management approach is embraced. When setting water-related goals, we focus primarily on the requirements of the Russian legislation, international standards and best practices, as well as the Company's internal standards. Moreover, Polyus's water-related goals and targets are often more stringent than required by law and international standards.

The Corporate Sustainable Use of Natural Resources and the Prevention of Environmental Pollution Standard regulates Polyus' water management activities. We adhere to the following water protection principles:

- prevention: this involves preventing any potential adverse impacts of water pollution or depletion, and maintains the accessibility of water resources in our regions of operation;
- a holistic approach to water protection: water protection measures are an essential component of environmental programs at enterprises;
- universality: water protection measures are employed across all Polyus production assets;
- scientific validation and control of effective water management.

Reducing the water intake from natural sources per unit of manufactured products is a key Company goal in this area. This is achieved by implementing water-saving technologies at Polyus' mining assets, increasing the share of water reuse, replacing freshwater for recycled pit water in technological cycles, and controlling water intake/consumption processes.

Polyus adheres to the ICMM Position Statement on Water Stewardship, which sets out four main approaches to responsible water management, with general recommendations on their further implementation:

- proactive engagement with other water users to understand their needs and priorities, share plans, and collaborate on managing risks;
- transparent public reporting on water usage, material water risks, and performance;
- collaborating with other water users to mitigate shared water risks and support equitable access;
- increasing water use efficiency (e.g. recycling/reusing operational water at mining and metals facilities).

A closed water circulation system is used at all the Company's production assets. Most water is taken from pit dewatering systems; other water sources include underground

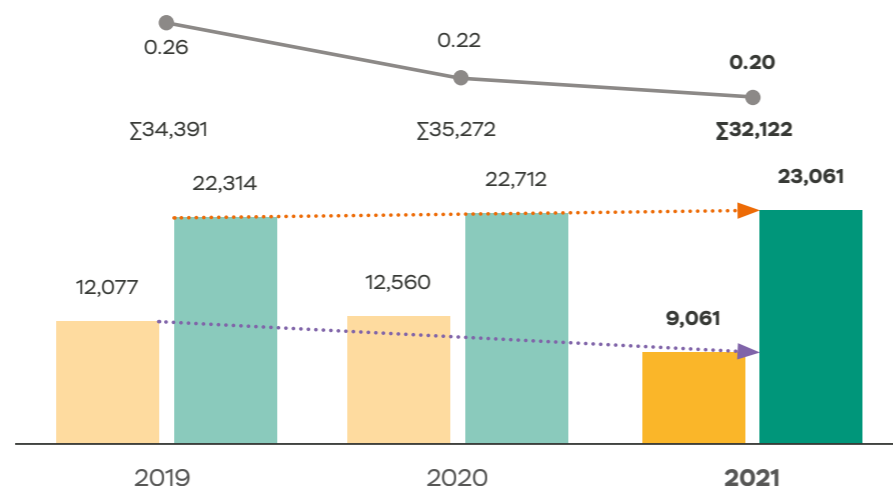
and surface water bodies<sup>1</sup>, as well as atmospheric precipitation. Polyus uses water for household and drinking water supply and production needs. All water intended for production needs is directed to a feed water circulation system. The water circulation systems at the Company's assets are replenished with both freshwater and pit water.

Water purification is a compulsory step before its discharge. Advanced water treatment facilities are used at all our operations, and we refurbish these when necessary. Effluent water is monitored in laboratories, which Polyus frequently upgrades to maintain the accuracy of measurements.

In 2021, water consumption in water circulation systems stood at 324 million m<sup>3</sup>, and the share of water reused was 93.36%. Initial freshwater withdrawal to compensate for losses from natural sources stood at 0.20 m<sup>3</sup> per ton of processed ore.

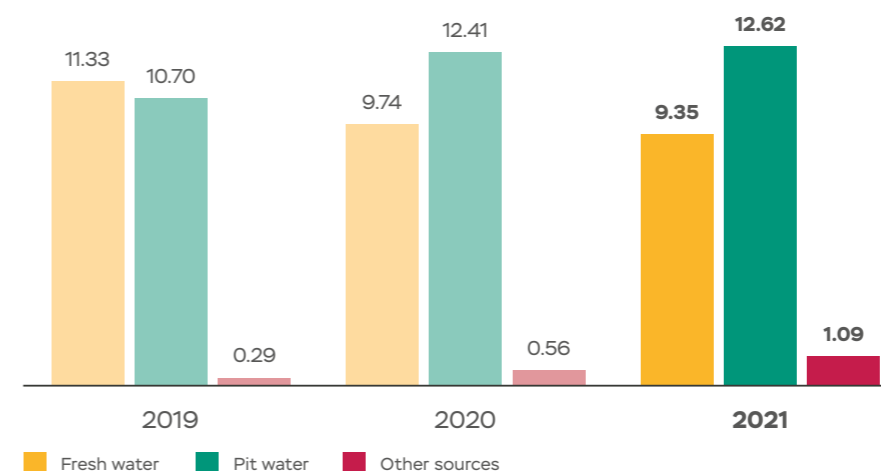
### GRI 303-3

TOTAL WATER WITHDRAWN, PIT WATER DISCHARGED, THOUSAND M<sup>3</sup>, AND SPECIFIC FRESHWATER WITHDRAWAL, M<sup>3</sup> PER TON OF ORE PROCESSED



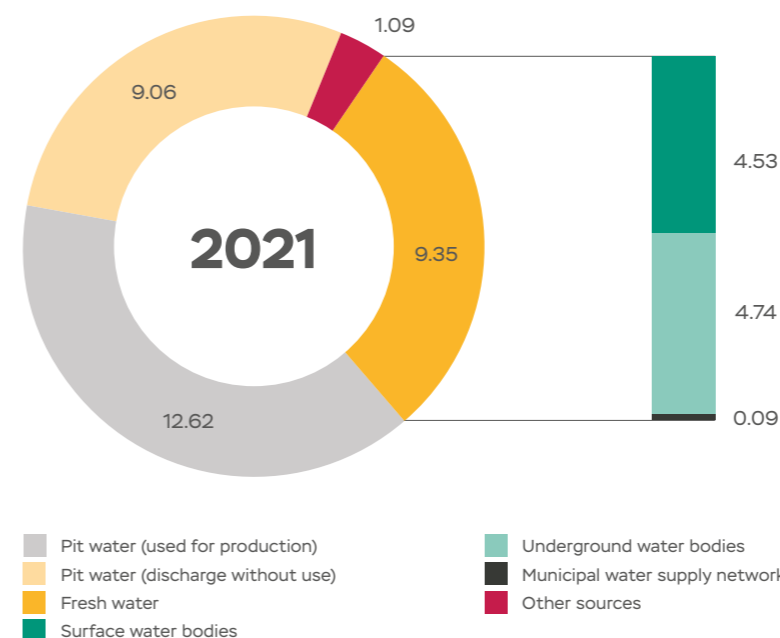
- Pit water (discharge without use)
- Water intake for production needs
- Specific fresh water withdrawal, m<sup>3</sup> per tonne of ore processed
- Pit water discharged without use decline
- Production needs growth/tonne

WATER INTAKE FOR PRODUCTION NEEDS, MILLION M<sup>3</sup>



### GRI 303-5

STRUCTURE OF WATER INTAKE, MILLION M<sup>3</sup>



Polyus constantly monitors the quality of surface and ground water at its production sites, using accredited stationary and mobile laboratories. This enables us to monitor the impact of our assets, with a view to not exceeding established limits and identifying any potential issues early on and taking measures to promptly rectify them.

### Case study

#### EXPANDING THE SCOPE OF ACCREDITATION OF THE LENREM LABORATORY

As part of a project to expand and upgrade environmental laboratories so that they can better monitor the impact levels of production activities and environmental quality in the Irkutsk Region, Polyus decided to expand the LenREM laboratory located in the town of Bodaybo. This decision will cover the laboratory research needs of Verninskoye and Alluvials within environmental control and monitoring procedures.

Expanding the laboratory's capabilities made it possible to include gold mining industry marker substances in the scope of accreditation. This enabled additional controls over not only direct, but also indirect effects on environmental components when using chemical substances in gold mining technology. Including marker substances in the accreditation of the LenREM laboratory is also an important step towards ensuring that the technologies used at Polyus assets comply with the best available gold mining technologies.

The upgrade of the LenREM laboratory will continue, and it is planned to expand accreditation to cover an even wider range of measurements. In addition, we plan to further expand existing laboratories at Kuranakh and build a laboratory at Nataalka.

#### Lesson learned

Expanding a list of monitored substances and improving the accuracy of laboratory measurements are important steps towards ensuring that technologies used at Polyus' assets comply with the best available gold mining technologies.



<sup>1</sup> In the context of the report, by "water bodies" we mean surface water bodies (rivers, lakes, etc.).

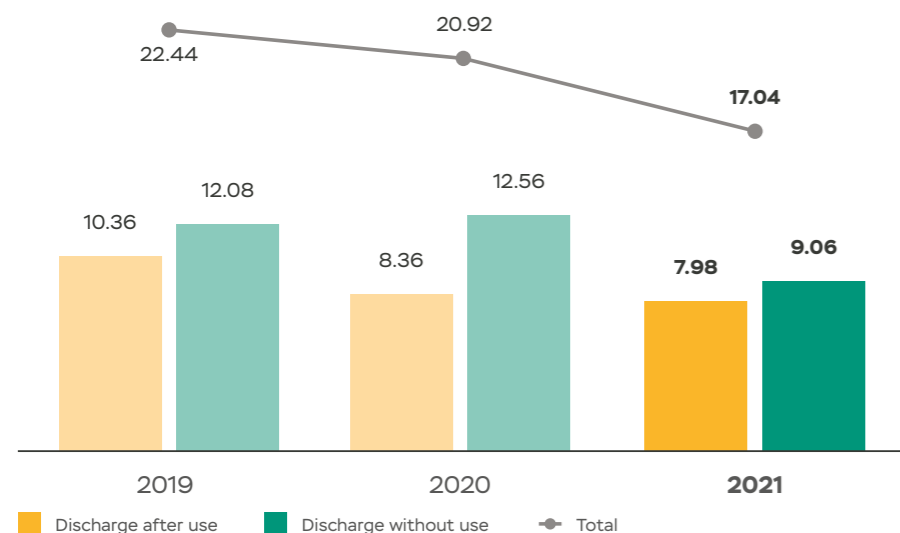
<sup>2</sup> Responsible production.

## Environmental stewardship

### Water management and access (continue)

GRI 303-4

TOTAL WATER DISCHARGED (USED WATER AND UNUSED PIT WATER), MILLION M<sup>3</sup>



The Company discharges water only to surface water bodies. We don't discharge water onto land, to seas or another possible receptacle. The bulk of discharged water is from the drainage systems of quarries, which are not used in production (other managed water). In 2021, the volume of discharged pit water stood at 9.06 million m<sup>3</sup>, with wastewater discharges at 7.98 million m<sup>3</sup>.

#### Case study

##### AWARD-WINNING WATER CAMPAIGN AND WATER REPORT

Polyus' activities in the field of water management were highly ranked in 2021: the Company received awards for its Water Report and Water Campaign.

Polyus was awarded first place in the Best Environmental Report category of the Eco Best Award for its first Water Report, published in March 2021. Eco Best Award is an independent public award presented to both Russian and international companies for products related to environment and energy and resource conservation. The Water Report provides detailed information on the use of water resources by the Company's operating assets, in addition to outlining the specifics of related Russian legislation and national water resources for an international audience. Polyus was the first company in Russia to publish a report of this kind.

Polyus' Water Campaign received two awards at the XVII MINEX RUSSIA Mining and Exploration Forum 2021 under the theme "Building the mining industry of the future". The MINEX Russia Forum is a leading international industry platform that opens new opportunities and formats for business development in the metals and mining industries of Russia and the countries of the Eurasian Economic Community. Water Campaign was the gold prizewinner of the MineESG 2021 competition. Polyus also received the Russian Mining Award for outstanding achievements in the development of social and environmental projects in the mining and metals industry of Russia for developing the Water Campaign.

In addition, Polyus won the People Investor's 2021 Environmental Efficiency award for its environmental projects, including the Water Campaign.

##### Lesson learned

Polyus developed and implemented effective initiatives in the area of water management within the framework of the Water Campaign. By publishing its first Water Report, the Company provided detailed information on its approach in the area of water management in line with the specifics of related Russian legislation and international best practice for all our stakeholders.



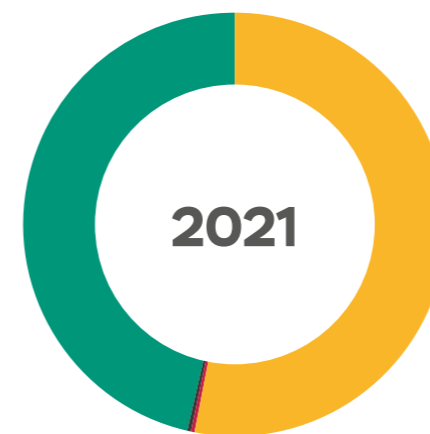
<sup>1</sup> Environmental performance.  
<sup>2</sup> Responsible production.  
<sup>3</sup> Values for 2020 were recalculated due to a change in the approach to calculating the indicator.

### Air emissions

GRI 303-2

We continue to work within the framework of the Company's Water Campaign, launched by Polyus in 2019 to regulate water management processes. Technical, organizational, and management initiatives are aimed at reducing freshwater withdrawal by preventing leaks from water supply systems, the efficient use of wastewater, and replacing freshwater with recycled pit water. In 2021, 93.4% of all process water at our operations was recirculated and reused. In 2022, we plan to complete the Water Campaign as a project. All activities developed and implemented as part of the Water Campaign will be continued and fully integrated into Polyus' operations.

#### BREAKDOWN OF SOURCES OF TOTAL WATER DISCHARGED, THOUSAND M<sup>3</sup>



|  |          |
|--|----------|
| Pit water (discharged without use)     | 9,061.41 |
| Household water                        | 77.52    |
| Rainwater                              | 10.66    |
| Water for production needs (after use) | 7,891.49 |

GRI 305-7

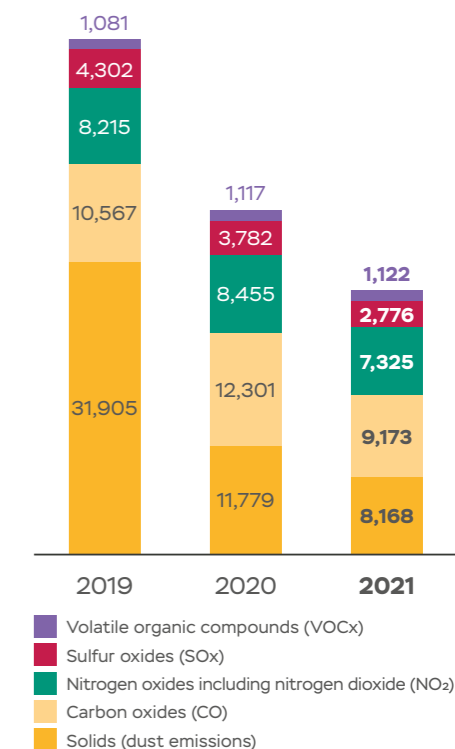
We are aware that the quality of atmospheric air is a prerequisite for ensuring the health of our employees, the residents of the areas where we operate, and the environment. For this reason, Polyus focuses on minimizing emissions of pollutants into the atmosphere. First and foremost the Company aims to reduce its consumption of fossil fuels and to maximize the use of low-carbon and renewable energy sources.

To lower air emissions, we monitor the technical equipment used at industrial sites to ensure that international quality standards are met and to optimize vehicle routes. Regular work is carried out to prevent dust air pollution in surrounding areas. The maintenance, inspection, and repair of equipment are performed in accordance with established plans, programs, and routine activities. The Company carries out monitoring activities to ensure that all respective air quality requirements are conformed to.

In 2021, the volume of air pollutant emissions into the atmosphere at Polyus assets did not exceed established maximum permissible limits and totaled 30.72 thousand tons. The structure of emitted pollutants did not undergo significant changes in comparison with the previous year. Values of specific emissions per ton of processed ore were unchanged.

Hydrocyanide is the most dangerous pollutant emitted into the atmosphere at the Company's assets. However, all Polyus enterprises have installed highly efficient systems for capturing and purifying exhaust gases from hydrocyanide. In 2021, total emissions of hydrocyanide at all enterprises stood at 322 tons.

#### SIGNIFICANT AIR EMISSIONS, TONS<sup>3</sup>



# Environmental stewardship

## Waste management

### GRI 306-1 · GRI 306-2 · GRI 103

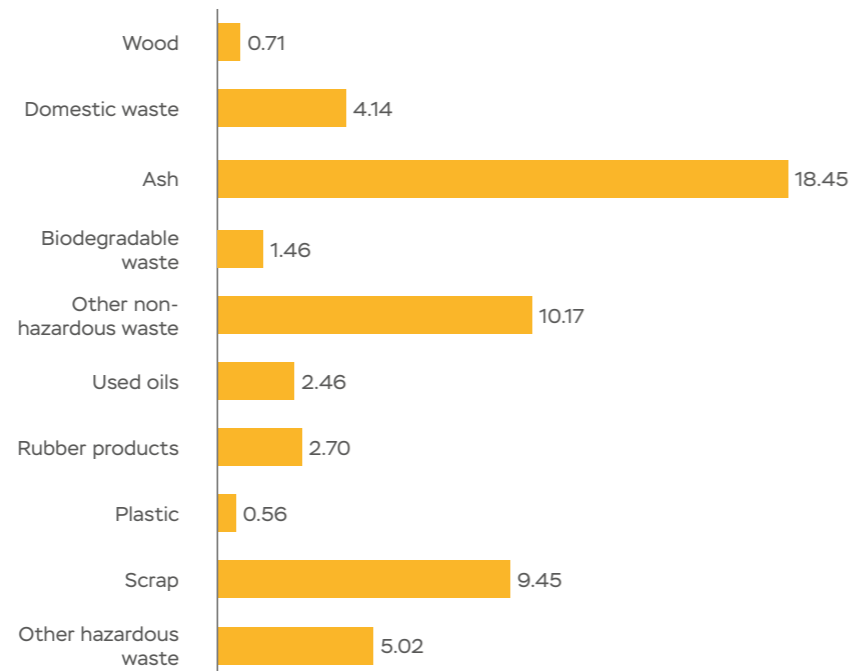
Polyus endeavors to ensure safe waste management and disposal, and to ensure the maximum reuse and recycling of waste. If waste recycling is not possible, the Company either organizes waste decontamination and safe disposal measures or transfers waste to specialized organizations. Thus, our actions are chiefly aimed at minimizing the volume of waste sent to landfill.

Russian law prohibits sending certain types of waste to landfill. Polyus continues to implement a number of waste management initiatives in this regard.

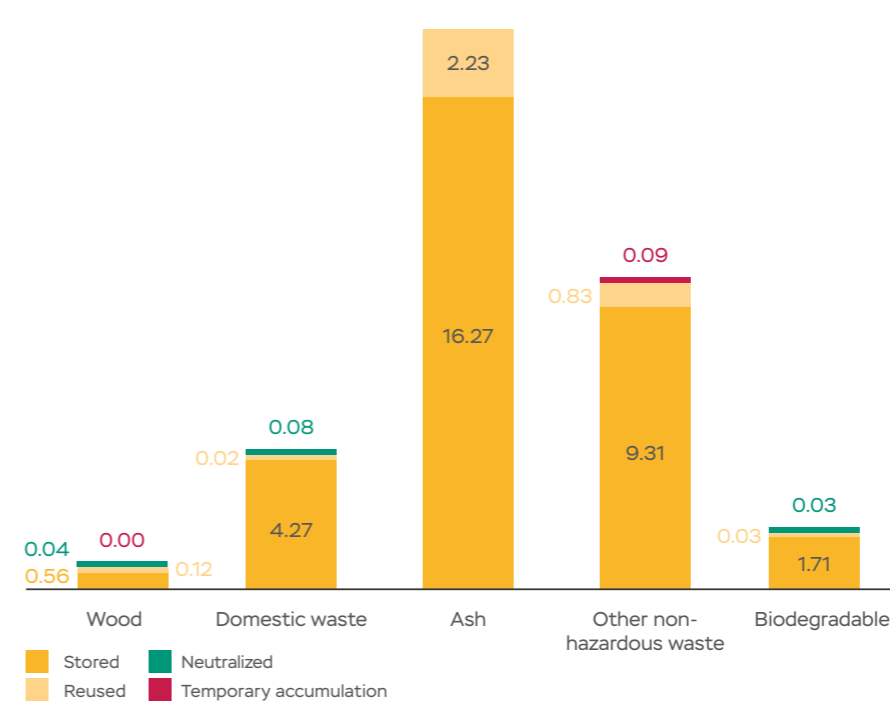
The construction of a new landfill site for industrial and municipal waste at Kuranakh is in the final stage. This landfill site meets all the requirements of Russian environmental legislation. Completion of the construction and commissioning of the new landfill site are expected in early 2022.

Another Polyus project was launching a centralized collection point for used oil at Kuranakh. Waste oil is cleaned of impurities and then sold as a secondary material resource, which allows for the economical and safe use of waste petroleum products.

**TOTAL WASTE GENERATED BY TYPE (EXCLUDING OVERBURDEN AND TAILINGS), THOUSAND TONNES**

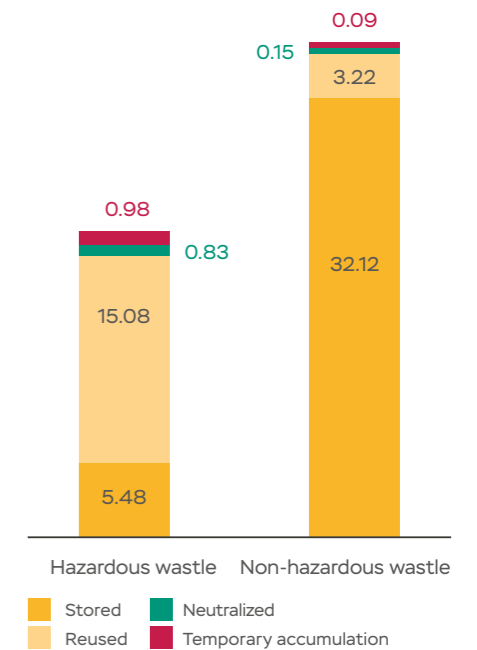


**VOLUME OF NON-HAZARDOUS WASTE, THOUSAND TONS**



### GRI 306-4 · GRI 306-5

**TREATMENT METHODS FOR HAZARDOUS AND NON-HAZARDOUS WASTE, THOUSAND TONS<sup>1</sup>**

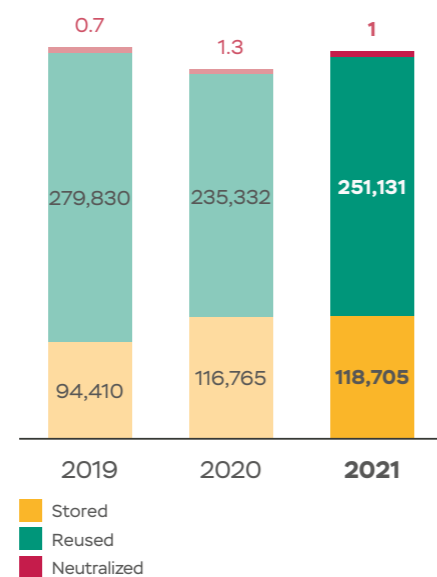


### GRI 306-3

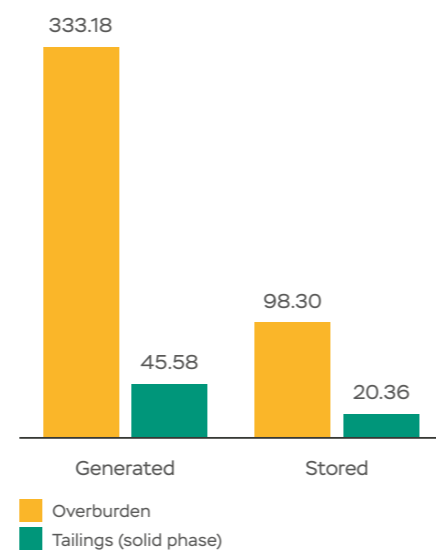
In 2021, 378.82 million tons of waste were generated, including 333.18 million tons of overburden and 45.58 million tons of tailings waste. To prevent unauthorized waste disposal around its landfills, the Company implements mandatory controls. Planned waste management activities are carried out according to a set schedule. In 2021, six minor violations were identified during the inspections at Polyus facilities, but no serious violations were identified.

Overburden and tailings are types of waste that are specific to mining. Consequently, the Company discloses additional information on generation and storage volumes separately from our total waste. The volume of reused overburden and tailings waste can be calculated by subtracting the volume of stored overburden and tailings 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.

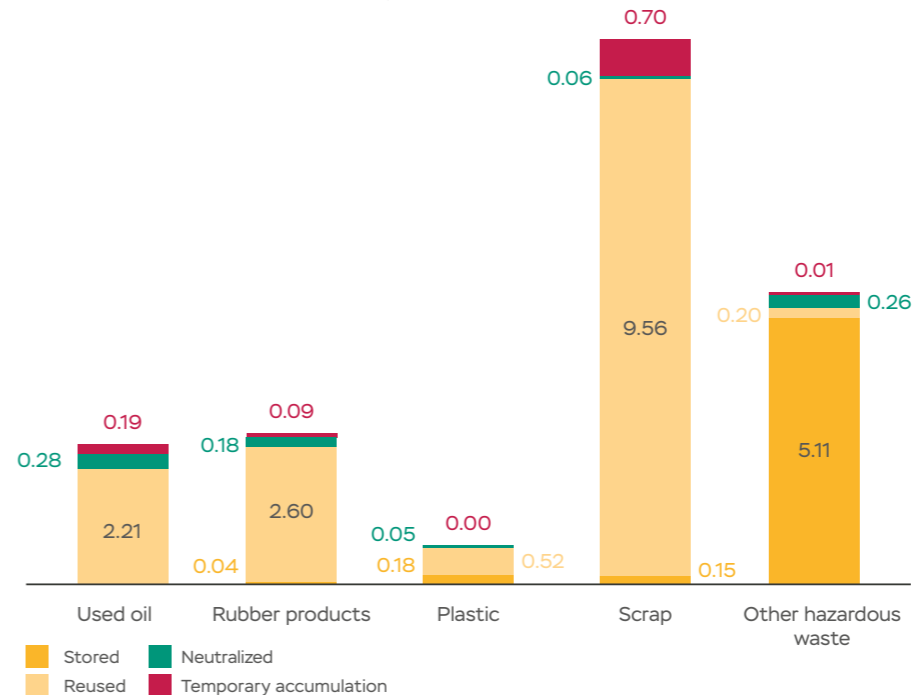
**WASTE STORED, REUSED, AND NEUTRALIZED, THOUSAND TONS**



**TOTAL VOLUME OF OVERBURDEN AND TAILINGS WASTE, MILLION TONS**



**VOLUME OF HAZARDOUS WASTE, THOUSAND TONS**



<sup>1</sup> 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.



## Environmental stewardship

### Cyanide and hazardous substance management

To ensure the safety of activities related to working with cyanide and other hazardous substances, Polyus deploys controls, strictly adheres to internal and external regulations, and raises employee awareness in this area. Management processes in the Company's business units are carried out in accordance with the corporate Cyanide Management Standard. In addition, our operations comply with the International Cyanide Management Code (ICMC).

#### Case study

##### LOGISTICS SERVICE AND VERNINSKOYE CERTIFIED UNDER ICMC

In 2021, Logistics service and Verninskoye were certified under the ICMC, which is operated by the International Cyanide Management Institution. The Logistics service and Verninskoye are thereby committed to adhering to the ICMC's principles and to implementing its standards of practice.

Before being certified, a full gap analysis of Verninskoye's practices was conducted, and a set of additional recommendations were implemented to ensure compliance with the ICMC. Following a certification audit, Polyus committed to executing a series of minor additional measures in accordance with the latest ICMC amendments.

The ICMC, which is considered one of the most prestigious certification programs in the mining sector, was developed under the United Nations Environment Program and complements Polyus' existing regulations. The ICMC is a voluntary industry program that focuses on the safe and environmentally responsible management of cyanide by companies producing gold or silver and companies manufacturing, transporting, and warehousing cyanide, or using it in production.

In order to evaluate continuing compliance with the ICMC, Polyus intends to re-audit Verninskoye and the Logistics service every three years.

#### Lesson learned

Being a party to the ICMC means that we aim to comply with the highest international cyanide management standards. Certification under the ICMC helps Polyus to improve the practices of cyanide management and requires full dedication, because safety always comes first at all our production assets.



### Dams and tailings facilities

#### GRI G4-MM3 · G4-DMA

Tailings are an unavoidable by-product of gold mining operations. Ensuring the safe operation of tailings storage facilities (TSFs) and preventing negative environmental impact is a priority for Polyus. The Company fully supports initiatives to bolster tailings storage management regulations. The Company's sites fully comply with Russian legislation governing the safe operation of TSFs.

Tailings 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. These components could significantly impact the environment. Polyus has an excellent safety track-record at its TSFs, and no hazardous incidents related to their integrity or stability have been recorded.

As an ICMM member, Polyus meets its commitments under the ICMM Position Statement on Preventing Catastrophic Failure of Tailings Storage Facilities and implements comprehensive risk assessments related to the operation of TSFs. The Company pays special attention to the condition of dams, well monitoring, other protective measures, and related utility systems and networks.

Polyus was closely involved in developing the Global Industry Standard on Tailings Management (GISTM), which was published and put into effect in 2020. The Company has committed to implementing the GISTM at its facilities by the end of 2025. For this purpose, a special task force has been set up, headed by the Vice President for Engineering in 2020. In 2021, an international British company was engaged to compare Polyus' existing tailings management practices against the GISTM requirements.

Our experts have participated in the working group that developed the Tailing Management Good Practice Guide, providing recommendations on governance and engineering best practices. An official Russian language version of the Tailings Management Good Practice Guide was published by Polyus to support the wider use of this resource within the Russian mining industry.

In addition, in 2021, the ICMM published Conformance Protocols for the Global Industry Standard on Tailings Management. Following the launch of the GISTM, the Conformance Protocols and Tailings Management Good Practice Guide will help operators and independent third parties assess and improve the safe and transparent management of tailings. Polyus welcomes the ICMM's new resources as a vital resource for wider adoption of the GISTM.

All the Company's assets embrace a strict system of internal controls and regular internal and external monitoring, to minimize potential risks related to safety violations and environmental harm. Polyus has developed a comprehensive monitoring system, which includes internal industrial and environmental controls, as well as external controls from state supervision services and independent consulting organizations. In addition, HSE&SD Department specialists carry out annual safety compliance audits for each TSF. In 2021, Polyus prepared a special tailings safety report, that will be published in 2022, following the 2019 report.

An internal audit of TSFs is performed annually. In 2021, all the Company's tailings facilities were subject to an internal audit. In addition, Rostekhnadzor inspects all tailings facilities at least twice a year.

| Production asset       | Deposit                    | Tailings storage facility  | Type   | Designed capacity, million, m³                             | Impoundment volume, million, m³                              |
|------------------------|----------------------------|--|--|--|--|
| Polyus Aldan JSC       | Kuranakh                   | Tailings storage facility on the Latyshsky stream  | Upstream   | 200.0  | 101.8  |
|                        |                            | Old tailings storage facility with sections 0-1-2-3  | Waste has not been stored since 1977, there is no liquid phase | The tailings storage facility is in the conservation stage | The tailings storage facility is in the conservation stage   |
| Polyus Verninskoye JSC | Verninskoye                | Flotation tailings storage facility at the Mill on the Kadalikan stream                          | Upstream   | 24.6   | 15.8   |
|                        |                            | Hydrometallurgical tailings storage facility (two areas)   | Downstream   | 0.8  | 0.6  |
|                        |                            | Mill tailings storage facility of the Zapadny (Western) Area (being mothballed)                  | Downstream   | 4.7  | 3.6  |
|                        |                            | Hydrometallurgical tailings storage facility of the Zapadny (Western) Area (mothballed)          | Downstream   | 0.1  | 0.0 (0.03)   |
| Polyus Krasnoyarsk JSC | Olimpiada and Blagodatnoye | Pervenets Mill tailings storage facility (mothballed)  | Downstream   | 1.0  | 0.5  |
|                        |                            | Tailings storage facility of Mills 1, 2, and 3; Olimpiada deposit                                | Upstream   | 194.0  | 128.0  |
|                        |                            | Tailings storage facility of Mill 4, Olimpiada Mining and Processing Plant; Blagodatnoye deposit | Upstream   | 96.4   | 64.2   |
| Polyus Magadan JSC     | Natalka                    | Temporary tailings storage facility of the Natalka Mill  | Upstream   | 20.8   | 19.9   |
|                        |                            | Main tailings storage facility of the Natalka Mill   | Upstream   | 170.3  | The hydraulic structure is in operation for less than a year |
|                        |                            | Tailings storage facility of the Pilot Plant on the Glukhar stream                               | Downstream   | 8.3  | 6.9  |
| Polyus Sukhoi Log LLC  | Sukhoi Log                 | Flotation tailings storage facility  | Upstream   | 732.0  | Being designed   |

#### Case study

##### TAILINGS STORAGE FACILITIES MANAGEMENT AND SAFETY MONITORING

In 2020, Polyus launched a project to develop an automated TSF monitoring system, based on audit recommendations. The methodological stage of the project was completed in June 2021. As a result, a high-level model and an end-to-end architecture of TSF management (from site to HQ) were created, and procedures established and responsibilities assigned.

The Company developed corporate guidelines on TSF safety and advanced monitoring and automation, in line with respective Russian legislation and the ICMM GISTM. The target business processes of TSF safety monitoring, and functional and technical requirements for the TSF monitoring software system were outlined. Research into the improved monitoring of TSF hydraulic structures at Olimpiada Mills 1, 2, and 3 was carried out, determining key controls and instruments to be automated.

At the end of the year Polyus announced various IT solutions and tenders for potential vendors. Meetings with potential contractors are ongoing. The Company plans to complete this project in the second half of 2023.

#### Lesson learned

We seek to increase safety at our assets considering legislative requirements and best industry practices, therefore we developed an automated TSF monitoring system that will help us prevent potential safety issues. The monitoring data will be available to all management levels, from TSF personnel to the CEO.



<sup>1</sup> Responsible production.

## Environmental stewardship

### Land conservation

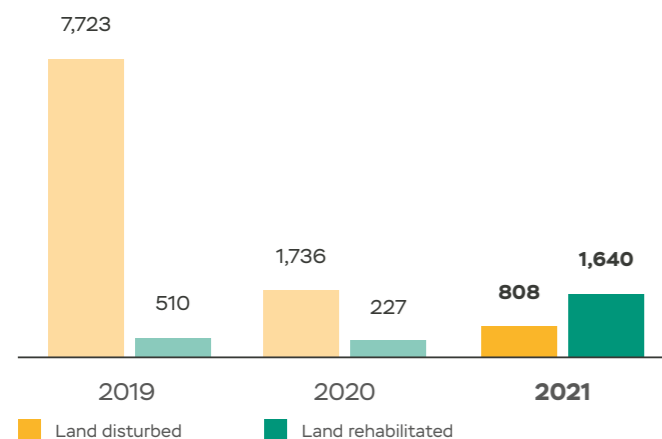
#### GRI MM10

Polyus carries out focused work to preserve natural landscapes and reduce the area of disturbed land. Our corporate Reclamation and Mine Closure Standard defines the key aspects of planning and organizing work related to the closure of sites, and ensures compliance with Russian legislation, ICMM sustainable development principles, and the provisions of the ICMM Integrated Mine Closure Planning Toolkit.

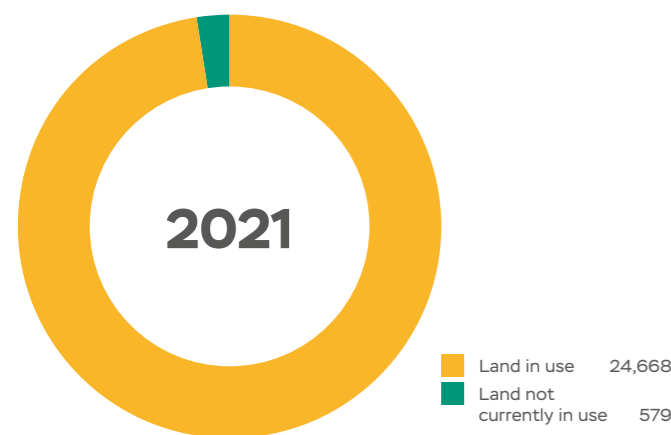
In 2021, the total area of rehabilitated land increased to 1,640 ha. By the end of 2021 most disturbed and non-rehabilitated land was in use for mining.

| Land category                  | Area, ha      | Number of land plots |
|--------------------------------|---------------|----------------------|
| Lands of the forest fund       | 72,685        | 918                  |
| Lands of settlements           | 375           | 317                  |
| Land designated for industrial | 4,206         | 113                  |
| <b>Total</b>                   | <b>77,266</b> | <b>1,348</b>         |

#### TOTAL DISTURBED AND REHABILITATED LAND, HA



#### DISTRIBUTION OF DISTURBED AND NON-REHABILITATED LAND BY CATEGORIES OF USE, HA



### Biodiversity management

#### GRI 304-1 · GRI 304-2 · GRI 304-3 · GRI 304-4 · GRI 103

The biodiversity in the areas of our business activities is primarily influenced by landscape separation by industrial facilities. Industrial sites, roads, and quarries with steep slopes exclude overgrowing vegetation and animal habitats. Dumps accumulate a large volume of heat and thus exacerbate daily temperature fluctuations, thereby affecting the composition of species as well as the number of organisms in the area. There are also direct dusting impacts from dump formation and blasting works. An analysis of vegetation however identified no clear adverse effects in this regard, indicating that the impact from dust deposits is likely insignificant.

Biodiversity management forms an integral part of Polyus' activities in the regions where it operates. The Company regularly evaluates the impact of its facilities and infrastructure on populations and the diversity of flora and fauna in adjacent territories. When planning work in this area we focus on:

- the Russian Federal Law on the Ratification of the Convention on Biological Diversity, of 17 February 1995;
- the ICMM Good Practice Guidance for Mining and Biodiversity;
- the International Finance Corporation's Biodiversity Performance Standard: Biodiversity Conservation and Sustainable Natural Resources;
- the Company's Biodiversity Conservation and Sustainable Natural Resources Standard and other applicable regulatory documents.

As part of its activities, Polyus implements wildlife conservation programs, actively interacts with scientific organizations and government agencies, and monitors compliance with internal regulatory documents.

In the field of biodiversity monitoring and assessment, the Company cooperates with the following research institutes, especially those working in the regions where we operate, including:

- the Federal Research Science Center of the Forestry Institute (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);
- the Expert Scientific Organization (VNII-1), Magadan;
- the Institute of Biological Problems of the North FEB RAS, Magadan.

The results of Polyus' biodiversity monitoring activities are submitted to all stakeholders, including on the Company's website, in scientific journals, and at conferences.

#### Case study

##### PROJECT TO SUPPORT A POPULATION OF WILD UNGULATES ANIMALS

Polyus is supporting a project to support the population of wild animals living in the Vitim Natural Reserve in the Bodaybo District. Feeding zones and trail cameras have been installed in a number of locations within the designated conservation area.

The conservation area has higher animal population levels than in other nearby territories, with a growing number of young animals. Species of even-toed ungulates such as the reindeer, the Manchurian wapiti, the elk, the Siberian musk deer, the Siberian roe deer, and the Siberian bighorn sheep inhabit the Vitim Natural Reserve.

Five feeding complexes were built in the restricted area of natural resource use, along the Amalyk and Uryakh rivers, the Oronskaya channel, and the Golubtsovsky Lake. Thanks to feeding complexes, animals do not leave the protected area of the reserve in search of food in the winter. This provides direct conservation of populations. In addition, sodium-rich food products help keep the animals healthy, however, it is not easy for them to find sources in the wild. Installed cameras (camera traps) allow observing behavior of animals, as well as recording their number.

This is a joint project between the Vitim Natural Reserve and Verninskoye. The Reserve's employees have the professional knowledge and skills to implement projects to support the species biodiversity of the territory.

#### Lesson learned

Polyus strives to be environmentally responsible and invests in exploring and supporting the biodiversity of the regions where it operates. By implementing projects aimed at mitigating and offsetting our environmental impact we demonstrate our commitment to biodiversity preservation and have a direct impact on the preservation of species in the regions where the Company operates.



#### GRI 304-2

In 2021, the Construction service teamed up with the Vitim Natural Reserve to create an informative brochure on endangered species that live locally near the Company's Bodaybo site. The brochure largely focuses on local plants, which are most vulnerable to Polyus' activities. The Construction service plans to roll out this initiative across the Company, publishing brochures on local animal and plant species that inhabit the areas around its other construction sites.

Polyus monitors the species of animals that live in forests near the Natalka production site. Monitoring has demonstrated that the peak of the decline in the number of animals occurred during construction at Natalka from 2015 to 2017. After the construction was completed and the asset reached production design indicators, the environmental conditions and density of animal habitats recovered. In addition, considering the vulnerability of birds along migration routes, Natalka implemented a system to assess the impact of production activities on migratory birds. Since 2011 it has been established that during migration periods there are 86 species of birds. Protected species of various rare categories (birds listed in the Red Book of the Russian Federation and the Magadan Region, and rare birds in adjacent territories and countries) also participate in migrations. The bulk of birds belongs to the hunting and commercial species. In 2021, environmental specialists recorded the flight of 13.5 thousand birds, a record number. The Company's specialists note that further observations are required to confirm the various findings, and they are already preparing for the next winter routes. To improve work in this area, in 2021, Polyus worked with the Institute of Biological Problems of the North. This is be a key step within the study of biodiversity, in particular related to ornithological research in specially protected natural areas in the Kolyma territory.

The Company continues to work within the framework of the reproduction of biological species. In 2021, Olimpiada and Blagodatnoye released 103,543 Siberian sturgeon fry into the Yenisei River, Kuranakh released 294,019 peled fry into the Vilyuy reservoir, Natalka released 1,268 peled fry into water bodies in the Kolyma basin, and Alluvials released 52,939 grayling fry into the Bratsk reservoir and 8,889 fry into the Lena River. The total number of fry released by Polyus in 2021 is 460,658.

In 2021, territories where Polyus assets are situated were surrounded by an area affected by wildfires. Our Company has outlined an annual set of special fire-prevention measures, which ensure that Polyus assets are well prepared in this area.

<sup>1</sup> Conservation of biodiversity.

# Environmental stewardship

## Reforestation

GRI 304-3 · GRI 103

Polyus takes remedial measures alongside mitigating measures to reduce its environmental footprint. The Company strives to provide the highest quality of reforestation work, in order to grow healthy forests in its areas of operation. Our experience in reforestation sets an example for large Russian companies. When carrying out reforestation work, the Company is guided by current legislative requirements. At the same time, we apply best global practices in the sphere of sustainable forest management, set high standards for potential contractors, and elaborate documents that set out possible reforestation risks and requirements. In addition, Polyus monitors and regularly evaluates its approach towards the use of forests and reforestation work, as well as compliance with respective forestry legislation requirements, fire safety rules in forests, reforestation procedures, and deforestation supervision.

In 2020, Polyus set up a Reforestation Office as part of its Legal Department, which brought together various reforestation specialists. The office provided centralized management in the Company, in such areas as reforestation maintenance, ensuring compliance with relevant legislation, and comprehensive methodological support for divisions in our regions of operation. Based on the results of our work, we took the decision to bring all information related to forest management activities, including reforestation, under one umbrella. Hence, in 2021, the Reforestation Office became the Forest Management Support Office, as part of the Real Estate, Land Relations, and Forest Management Department.

Our approach to reforestation activities is set out in corporate documents, which were created by the Forest Management Support Office in 2021. The Company's regulations "Implementation of Reforestation, including Climatic and Other Features" and "Assessment of Obligations for Compensatory Reforestation" define the specifics of reforestation work, as well as how Polyus divisions should interact in the area of reforestation.

In 2021, the Company approved a standard contract for reforestation work, as part of efforts to optimize our work in the area of reforestation. This contract enables a contractor to perform reforestation work on a turnkey basis, and reflects existing risks related to the non-survivability of seedlings. In addition, based on the results of an analysis and a harmonization of best practices related to compensatory reforestation in 2021, two documents were created: the Standard Form of Specification for the Performance of Work on Compensatory Reforestation on the Lands of the Forest Fund, and a Standard

### Case study

#### POLYUS TAKES PART IN THE SAVE THE FOREST CAMPAIGN

The Governor of the Magadan Region, the Magadan Forestry Authority, schoolchildren, and Nataika employees planted over 4,500 larch seedlings. The work was carried out at a site where Nataika, together with the Russian Center for Forest Health (Roslesozashchita) undertakes compensatory reforestation activities.

Roslesozashchita employees monitor the survival rate of seedlings after planting, until the successful acceptance of the reforestation site by the Magadan Forestry Authority.

In addition to participating in this campaign, in 2021 Nataika carried out compensatory reforestation activities in the Magadan Region, covering an area of over 350 ha.

Polyus was also directly involved in the Save the Forest All-Russian Campaign in Krasnoyarsk Territory and the Republic of Sakha (Yakutia).

#### Lesson learned

Polyus is keenly aware of the need for reforestation. This is the first time the Company has taken part in the Save the Forest All-Russian Campaign, and we will continue to promote such reforestation activities.



#### GREENHOUSE GAS ABSORPTION DURING THE IMPLEMENTATION OF REFORESTATION ACTIVITIES, TONS CO<sub>2</sub>-E PER YEAR



<sup>1</sup> Conservation of biodiversity.

Roadmap for Carrying Out Reforestation Activities. These enhance the reforestation procedure and take into account new forestry legislation requirements, which entered into force on 1 September 2021.

Polyus plays an active role in improving forestry-related legislation. Employees of the Company's Real Estate, Land Relations, and Forest Management Department personally participate in working group meetings on environmental and forestry topics of the Russian Ministry of Natural Resources and the Environment and Federal Forest Agency (Rosleshoz). In 2021, our employees examined around 40 draft regulatory legal acts and prepared suggestions and amendments to improve these documents. Rosleshoz acknowledged the contribution of our employees, citing in particular their active participation in improving legislation related to the use and reproduction of forests.

Compensatory Reforestation was incorporated within Russian legislation in 2019, and its implementation began in 2020. For a long time there was no understanding in our regions of operation of how to implement compensatory reforestation measures. Therefore, Polyus, on its own initiative, established the practice of implementing compensatory reforestation to fulfill reforestation obligations assigned by the legislation. The Company held a number of consultations and exchanged experience with contractors, large Russian companies, and research institutes about the special aspects of reforestation in our regions of operation. For example, we worked closely with the Far Eastern Research Institute of Forestry to design reforestation work in harsh climatic conditions. In addition, existing forest seed zoning parameters in our regions of operation were looked at. These parameters determine the planting materials used, as well as tillage and planting methods.

Polyus adopts a responsible approach to selecting contractors for reforestation work during tender procedures. A potential contractor has to demonstrate their experience in performing similar work, and that they have qualified professionals and access to specialized equipment. They should also provide assurance that they have zoned planting resources at the time of procurement, due to a shortage of this material.

The Company is closely involved in reforestation work in the regions where it operates. In 2020, the total area of reforestation work in the Irkutsk Region was 325 ha. In 2021, we completed reforestation work across a total area of 1,714.67 ha, planting over five million coniferous trees. The reforestation area totaled 781.3 ha in the Republic of Sakha (Yakutia) (1.5 million pines), 358.4 ha in the Magadan Region (716,000 larches), 453.9 ha in Krasnoyarsk Territory (2 million pines), and 121.07 ha in the Irkutsk Region (358,940 pines). The total budget for these activities was over RUB400 million. Polyus plans to continue reforestation work in the regions where the Company operates.

In addition to the reproduction of biological resources, Polyus' reforestation activities contribute to greenhouse gases absorption. We estimated the effect of greenhouse gas absorption during the implementation of reforestation activities for the following timescales:

- 1 year after planting the material (2022);
- 4 years after planting the material (2025);
- 6 years after planting the material (2027);
- 11 years after planting the material (2032);
- 20 years after planting (trees will be considered forest as defined by the FAO);
- 41 or 51 years after planting, depending on the region (middle age group of trees).

In accordance with the methodology of the regional assessment of the forest carbon budget, the middle age group for pines in the Irkutsk Region and Krasnoyarsk Territory starts at 51 years, while for pines in the Republic of Sakha (Yakutia) and larches in the Magadan Region this age group starts at 41 years.

The greenhouse gas absorption from reforestation activities can be included in the Scope 1 emissions category in accordance with the ISO 14064 operational control principle. In this case, Scope 1 emissions will be lower, but these greenhouse gas removals will not be taken into account when assessing the carbon footprint of our products.

## Plans for 2022 and the medium term

Polyus has identified the following operational tasks for 2022 and the medium term:

- proceed with environmental risk-management activities, including annual environmental protection assessments;
- further expand existing laboratories at Kuranakh and continue to build a laboratory at Nataika;
- beginning from 2022, integrate the Water Campaign activities into Polyus' day-to-day operations;
- complete the construction of a landfill facility for industrial waste at Kuranakh;
- continue to develop an automated tailings monitoring system;
- implement an in-house Global Tailings Management Standard by 2025;
- develop a systemic methodology for biodiversity monitoring and assessment for all business units;
- continue project activities to support biodiversity (Irkutsk Region);
- implement a project to preserve the biodiversity of Talan Island (Magadan Region).

Energy and climate change

# Energy and climate change



**Material topics**

- Carbon and energy management
- Effective use of resources

**Key events**

- Establishing the Energy Supply Management system, as part of changing the operating model, functional strategy, and organizational structure of the Company
- Automation of the process of planning the electric power at Verninskoye and Krasnoyarsk
- Construction of the 35-kV powerline 14A at Kuranakh
- Construction of Molodezhnaya and Karyer substations
- Rolling out the SS 110-kV Gurakhta and SS 35-kV Verkhnyaya projects at Blagodatnoye
- Assessment of climate risks and calculation of indirect non-energy greenhouse gases (Scope 3)
- Becoming the Main Strategic Partner of the Climate Governance Initiative in Russia

**UN Sustainable Development Goals**



**ICMM sustainability principles**



<sup>1</sup> Environmental performance.  
<sup>2</sup> This was primarily achieved through switching electricity supply at the Company's key operating assets to hydropower by signing large-scale power purchase agreements (PPAs) with Russian hydropower producer. To further support the production of renewable energy and account for the remaining volume of our energy requirements not yet directly met by renewables, we purchased green I-REC certificates.

**2021 PERFORMANCE AGAINST GOALS**

| Goal   | Status          | Summary of progress in 2021  |
|--|-----------------|--|
| 100% of assets' electricity needs will be covered by energy from renewable sources | <b>Achieved</b> | The share of renewables in the Company's energy consumption reached 100%   |
| Development of the Polyus Climate Strategy   | <b>On track</b> | The Climate Strategy of Polyus continues to be developed and improved.<br><br>A qualitative and financial assessment of climate risks is planned for Polyus Krasnoyarsk (Olimpiada and Blagodatnoye), Natalka, and Verninskoye |
| Upgrades to automated control systems for fuel and energy resources                | <b>Achieved</b> | Standard for Planning and Accounting for Electricity Consumption developed   |

**REDUCTION IN CARBON INTENSITY VS 2020**

**37%**

**REDUCTION IN TOTAL GHG EMISSIONS VS 2020**

**34%**

**PURCHASED ELECTRICITY COMES FROM RENEWABLE ENERGY SOURCES<sup>2</sup>**

**100%**

**REDUCTION IN COAL CONSUMPTION VS 2020**

**37%**

**Related documents**

- INTERNAL**
- The Sustainable Use of Natural Resources and the Prevention of Environmental Pollution Standard
  - The Energy Policy
  - The Standard for Planning and Accounting for Electricity Consumption
- EXTERNAL**
- Polyus Climate Position Statement
  - Recommendations from the Task Force on Climate-related Financial Disclosures
  - The ICMM Environment and Climate Change work program
  - The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
  - The Climate Governance Initiative (CGI)
  - ICMM Statement on climate change

## Allocation of responsibilities



# Energy and climate change

## Management approach

### GRI 103

The Company's leadership continues to pay close attention to climate-related issues, which are embedded into the corporate governance system. Responsibility in the area of climate change and other aspects of sustainable development is allocated by the Board of Directors of Polyus. The Operational Council for Energy Projects was set up to enhance the management of energy projects and to streamline business processes. Furthermore, in 2021 an Energy Management body was established to deal with energy efficiency issues and the operation of energy facilities.

### Case study

#### POLYUS BECOMES KEY STRATEGIC PARTNER OF WEF CLIMATE GOVERNANCE INITIATIVE

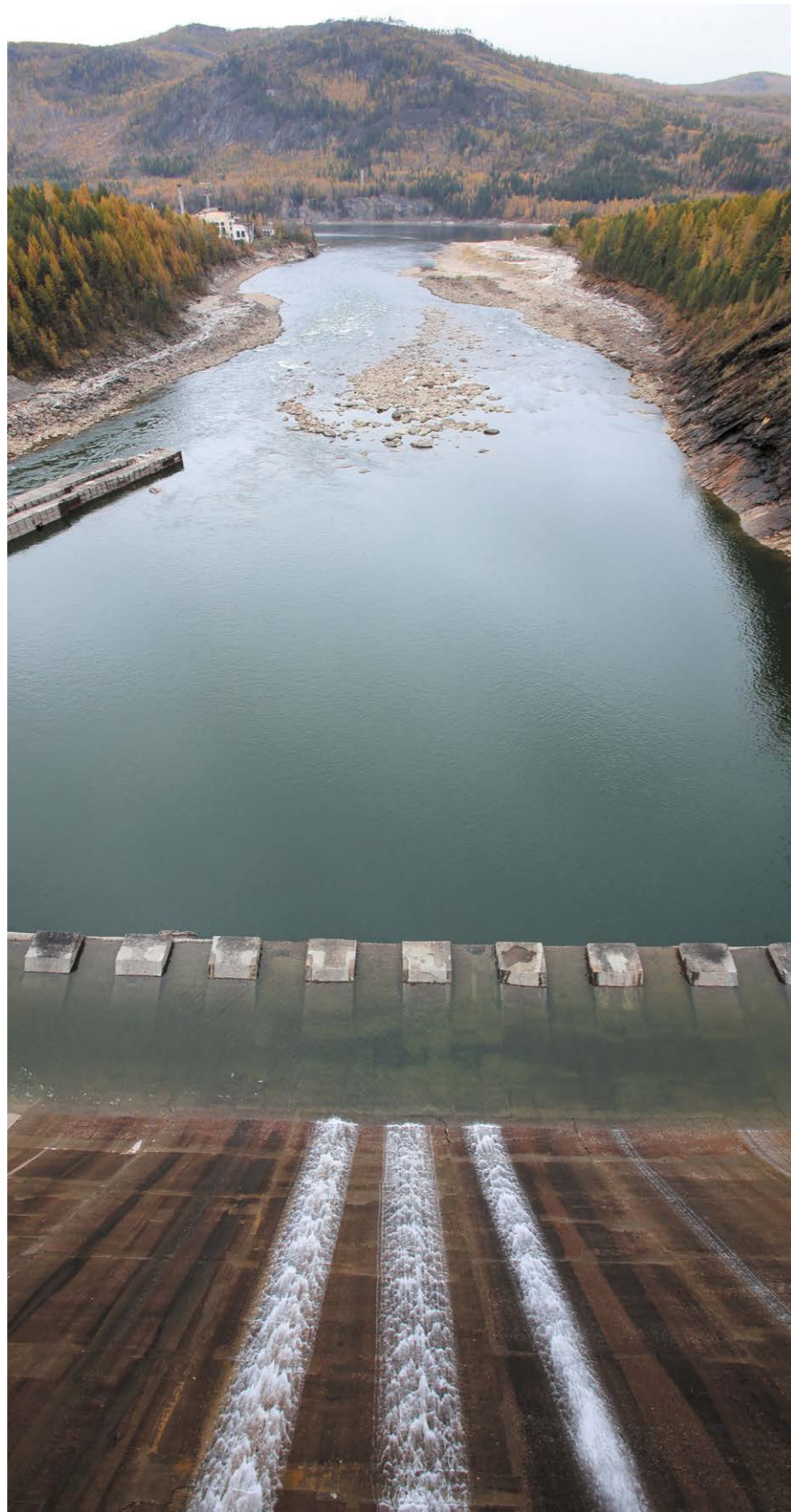
Polyus has joined the Climate Governance Initiative Russia (CGI Russia), a local partner of the World Economic Forum's Climate Governance Initiative.

Recognizing that boards of directors play a crucial role in ensuring the long-term stewardship of the companies they oversee, CGI Russia aims to help board members embed climate considerations into board decision-making and ascertain and act upon the risks and opportunities the climate emergency poses to them.

The Polyus group will be a Key Strategic Partner of CGI Russia, actively participating in its events and promoting cooperation and knowledge-sharing among its members. Cooperation with the expert community and other market participants to enhance global climate action is a strategic priority for Polyus in the area of climate change. The latter was stated in the group's Climate Position Statement approved by the Company's Board of Directors.

#### Lesson learned

Boards of directors play a key role in the decarbonization agenda of companies. By joining this initiative, Polyus is making it clear that the issue of climate change occupies an important place in the Company's operations at a corporate level.



## Climate change and GHG emissions

### GRI 305-2 · GRI 305-5

In view of the severity of the potential consequences of climate change, responding appropriately to this serious issue is a priority strategic area for the global business community. Polyus is completely committed to climate change action and takes meaningful steps towards reducing greenhouse gas (GHG) emission reduction, continuously lowering the carbon footprint of its products. Hence, moving towards a low-carbon future is a key principle within our energy management strategy.

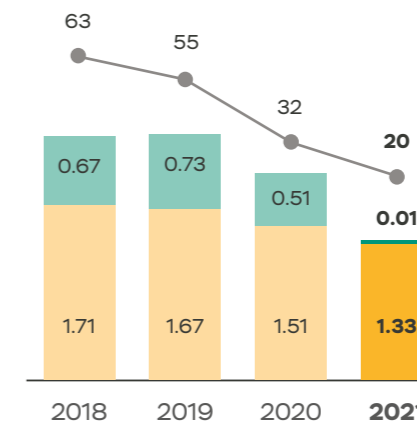
Global mining and metal production accounts for the significant part of industrial greenhouse gas emissions, as a result of the use of fossil fuels - hence reducing CO<sub>2</sub> emissions becomes an urgent priority. The Company sees the low-carbon transition as presenting opportunities, since gold will remain a vital product in the application of new industrial technologies and a significant factor affecting pricing. In order to tackle climate change and mitigate related risks Polyus improves the energy efficiency of its operations, in line with its internal goals to lower GHG emissions. These goals are set in accordance with official statement of Polyus.

As a member of the International Council on Mining and Metals (ICMM), Polyus adheres to the 10 ICMM Principles, which serve as a best-practice framework for sustainable development in the mining and metals industry. We also adhere to ICMM Position statement on climate change issues, which are crucial for the metal industry. In 2021,

### GRI 305-1 · GRI 305-2 · GRI 305-3

#### GRI 305-4

#### TOTAL DIRECT AND INDIRECT ENERGY GHG EMISSIONS (SCOPE 1 AND SCOPE 2) AND CARBON INTENSITY, Mt CO<sub>2</sub>-e<sup>1</sup>



Legend:  
■ Indirect energy GHG emissions adjusted with contractual instruments, Mt CO<sub>2</sub>-e  
■ Direct, Mt CO<sub>2</sub>-e  
● Specific, kg CO<sub>2</sub>-e per tonne of ore processed

Polyus signed an open letter joining its fellow ICMM members in a collective commitment to decarbonize its operations and achieve net zero greenhouse gas emissions in the coming decades.

### Case study

#### POLYUS JOINS STATEMENT ON CLIMATE CHANGE FROM ICMM PARTICIPANTS

In October 2021, Polyus signed an open letter joining other ICMM members in a collective commitment to reach net zero Scope 1 and Scope 2 GHG emissions by 2050 or sooner, in line with the stated goals of the Paris Agreement.

This commitment to goals of the Paris Agreement is fully in line with Polyus' long-term approach to sustainable development and participation in climate change adaptation.

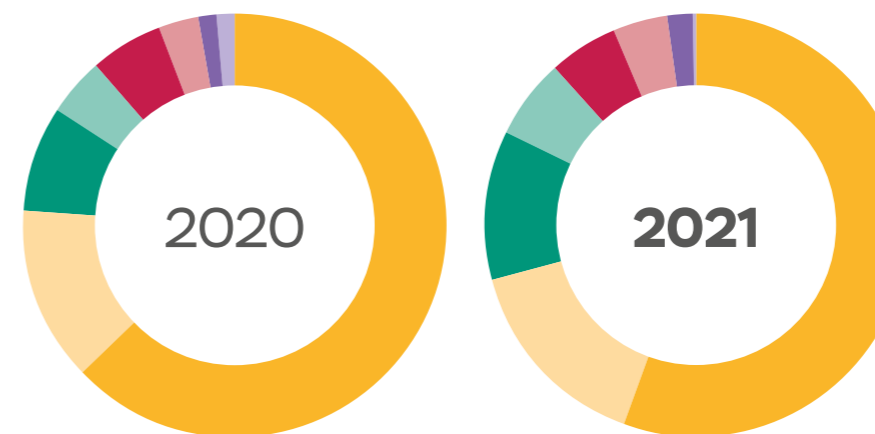
Mining industry has enormous potential in terms of boosting efficiencies and introducing technologies that can significantly reduce global greenhouse gas emissions.

#### Lesson learned

The open letter represents a joint endeavor among mining companies which make up a third of the global metals and mining industry. It also aims to encourage others in the industry, as well as suppliers and customers, to join similar decarbonization efforts.



#### TOTAL DIRECT AND INDIRECT ENERGY GHG EMISSIONS BY BUSINESS UNIT, kt CO<sub>2</sub>-e<sup>1</sup>



|                            | 2020  | 2021 |
|----------------------------|-------|------|
| Olimpiada and Blagodatnoye | 1,186 | 745  |
| Kuranakh                   | 252   | 204  |
| Natalka                    | 154   | 151  |
| Alluvials                  | 82    | 82   |
| Verninskoye                | 108   | 72   |
| Logistics service          | 55    | 53   |
| Construction service       | 26    | 27   |
| Energy service             | 25    | 2    |

<sup>1</sup> Specific GHG emissions for 2020-2021 include operating results of Lenzoloto.

<sup>2</sup> The data for 2020 has been recalculated due to the clarification of the calculation methodology. Indirect energy GHG emissions adjusted with contractual instruments.

# Energy and climate change

## Climate change and GHG emissions (continue)

Scope 1 direct emissions and Scope 2 indirect energy emissions totalled around 1.34 million tons of CO<sub>2</sub> equivalent in 2021, a reduction of 34% in relation to the previous year and of 44% in regard to 2018. For four years, carbon intensity has significantly decreased by more than two times (68%) - in 2018, the figure was 63 kg of CO<sub>2</sub>-e per tonne of processed ore, and in the reporting year - 20 kg. The Company's carbon intensity by mining business units decreased from 28 kg CO<sub>2</sub> equivalent per tonne of ore processed in 2020 to 19 kg in the reporting period. This demonstrates that the Polyus GHG emissions profile is still strongly correlated to production. The reduction in total GHG emissions observed between 2018 and 2021 was due, especially, to the increasing share of hydropower in the energy balance. A reduction in indirect energy GHG emissions is also associated with the purchase of green I-REC certificates.

Olimpiada and Blagodatnoye are the main sources of the Company's direct and indirect energy GHG emissions (about 56%). The reduction from last year was 441 kt CO<sub>2</sub>-e (about 37%). In terms of the composition of GHG emissions, direct methane (CH<sub>4</sub>) and nitrogen oxide (N<sub>2</sub>O) emissions decreased by 33% and 8%, respectively, compared to 2019.

Since 2019, Polyus has participated in the CDP Climate Change questionnaire and in 2021 the Company achieved a "D" score. Understanding that water management and climate change are significant aspects of the metals and mining sector, in addition to the CDP Climate Change responses we once more disclosed water information via the CDP Water Security questionnaire in 2021 (a "C" score). We plan to further improve our climate change and water-related reporting in the years ahead.

The Company continues to improve its GHG emissions management system and works with stakeholders to help develop new sustainability standards and initiatives for the mining industry. We plan to actively participate in the development of the mining industry, based on sustainable development principles, and are ready for an open and transparent dialogue with stakeholders as well as other market participants to ensure continuous progress in the sphere of climate change.

### Case study

#### ELABORATING OUR CLIMATE STRATEGY

The development and formulation of the Climate Strategy is a fundamental part of managing the Company's GHG emissions and climate action projects. The Climate Strategy is based on respective targets and an action plan to reduce GHG emissions and mitigate risks.

Polyus is at the final stages of elaborating the Climate Strategy. During its development the following activities were performed:

- qualitative and quantitative assessments of physical and transition-related climate risks and opportunities at business unit level and the Company in general
- a Scope 3 GHG emissions assessment
- qualitative and quantitative assessments of the impact of ongoing and potential GHG emissions reduction activities (Scope 1, 2)

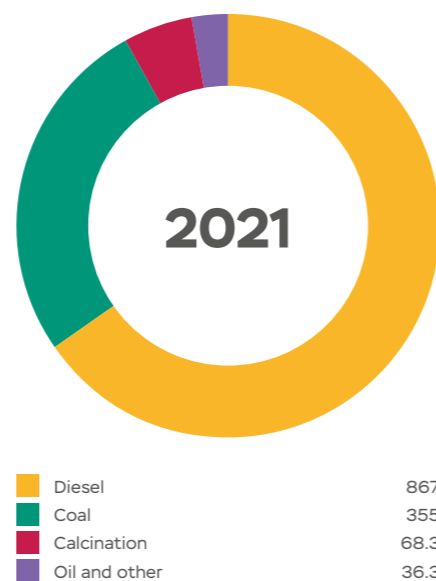
The Company's Climate Strategy is developed in accordance with TCFD and ICMM recommendations, as well as the Sustainable Development Goals (SDGs).

#### Lesson learned

Adopting a Climate Strategy is the most meaningful action we can take - not only for the business, but also for the planet. The Climate Strategy will guide the Polyus transformation and keep us on track and focused on a common goal. The strategy is a departure from business-as-usual.



#### TOTAL DIRECT GHG EMISSIONS BY SOURCES, kt CO<sub>2</sub>-e



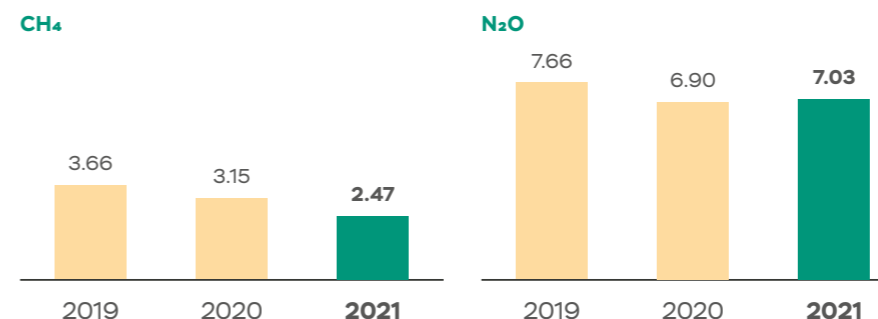
Polyus' GHG emissions management system continues to be improved. When developing the Climate Strategy, the Company assessed the impacts of ongoing and potential projects on greenhouse gas emissions, as well as related climate risks and opportunities and Scope 3 GHG emissions<sup>1</sup> in line with the GHG Protocol. The results obtained will serve as further monitoring of greenhouse gas emissions, with the development of appropriate measures to reduce them.

In 2021, Scope 3 GHG emissions amounted to 1,464 kt CO<sub>2</sub>-e. About 98% of these Scope 3 emissions are upstream in our value chain, in other words, they were due to the purchased materials (including raw materials) and other indirect fuel and energy related activities. In the downstream, emissions are associated with transport and use of products sold by Polyus, totalling around 2% of Scope 3 in 2021. In order to reduce these emissions, Polyus intends to continue monitoring them with the subsequent development of appropriate initiatives, as well as to constantly monitor suppliers as part of the formation of value chains.

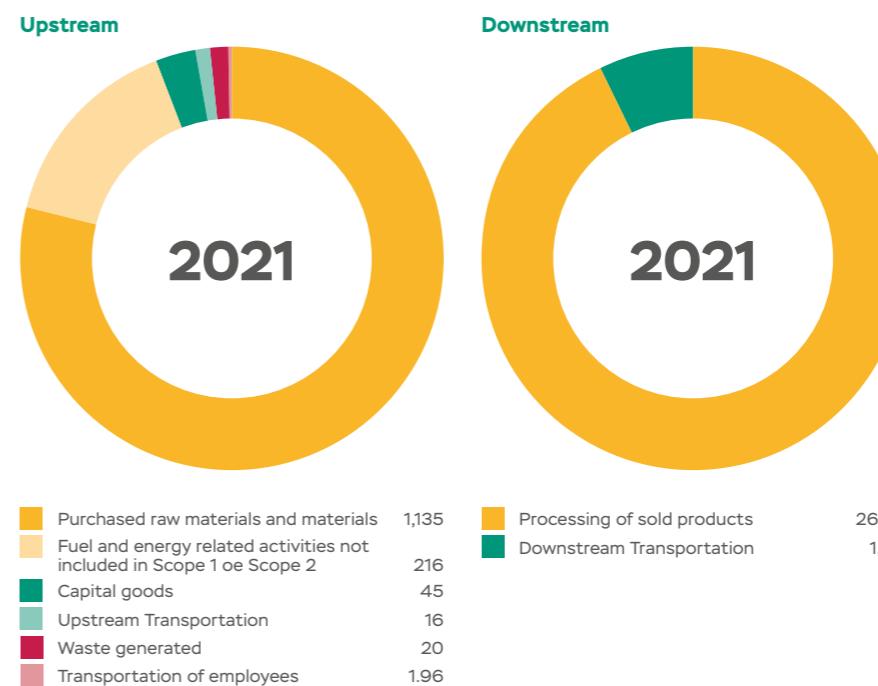
#### COMPARATIVE CARBON INTENSITY OF BUSINESS UNITS

| Business unit              | Ore processed, kt | Carbon intensity, t CO <sub>2</sub> -e per ton of ore processed |
|----------------------------|-------------------|---|
| Olimpiada and Blagodatnoye | 24,078            | 0.031   |
| Verninskoye                | 3,608             | 0.020   |
| Kuranakh                   | 7,822             | 0.026   |
| Natalka                    | 12,387            | 0.012   |

#### DIRECT EMISSIONS OF CH<sub>4</sub> and N<sub>2</sub>O, kt CO<sub>2</sub>-e



#### TOTAL INDIRECT NON-ENERGY-RELATED GHG EMISSIONS (SCOPE 3), kt CO<sub>2</sub>-e



<sup>1</sup> Scope 3 GHG emissions are all other indirect emissions (not included in Scope 2) that occur in the value chain: upstream (GHG emissions related to purchased or acquired goods and services) and downstream (GHG emissions related to sold goods and services).

# Energy and climate change

## Energy management

### GRI 302-1 - GRI 302-4

Polyus' production activities consume significant amounts of energy. To minimize impacts on the environment and to reduce its ecological footprint, the Company implements programs aimed at reducing and optimizing energy use across all business units. Respective targets in this area were established in accordance with our energy strategy and based on the results of internal audits conducted at business units.

The Company continues to align the energy management of all divisions with ISO 50001. The implementation of a technical accounting system for energy resources at enterprises is required under this standard. The system is currently being approved and we will soon introduce automated control systems for fuel and energy resources. In 2021, project documentation to develop an accounting system for heat and energy resources at Verninskoye was completed. The system at Natalka is still being implemented, and full commissioning is planned by 2022. Verninskoye is still undergoing an ISO 50001 audit.

One of our most important achievements of the Company in the reporting period was complete coverage of electrical energy consumers by external electrical networks. This was facilitated by connecting all nearby quarries of Polyus Krasnoyarsk to the 110 kV Vidnaya substation, which was commissioned in 2020. As a result of the Ust-Omchug - Omchak project in Natalka, two substations, Molodezhnaya and Karyer, were built, which eliminated the electricity supply shortage and contributed to a reliable supply of the required volume of electricity. In 2021, Polyus used 2,138 TJ of heat and 9,034 TJ of electricity. Thus, total energy consumption at all Company enterprises stood at 11,185 TJ (for related costs see the Polyus 2021 Annual Review). In addition, energy savings per ounce of gold produced in the reporting period stood at 0.235 MJ/oz (with a total reduction of 706,122 MJ). This result was achieved by boosting the energy efficiency of production and implementing the Ust-Omchug - Omchak project and a digital system to combat climate change.

As part of a multi-year program to reduce the consumption of traditional fuels and develop the use of renewable energy, the Company has significantly reduced coal consumption. For example, the main business unit Polyus Krasnoyarsk managed to reduce coal consumption by 66% over three years (36,256 tons were reduced

### THE AMOUNT OF PURCHASED ENERGY, TJ

|                                  | Heat  | Electric energy |
|----------------------------------|-------|-----------------|
| Energy purchased for consumption | 124   | 7,588           |
| Total energy produced            | 2,014 | 1,446           |

from 2019 to 2020, and 107,888 tons from 2020 to 2021). This was achieved through the transition to renewable energy sources: the construction of power grids in the Company's business units, as well as internal energy audits and the implementation of a five-year energy efficiency improvement program. The Company intends to further reduce the consumption of non-renewable energy sources.

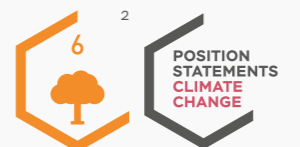
#### Case study

#### THE SHARE OF RENEWABLE ELECTRICITY IN THE POLYUS CONSUMPTION STRUCTURE REACHED 100%<sup>1</sup>

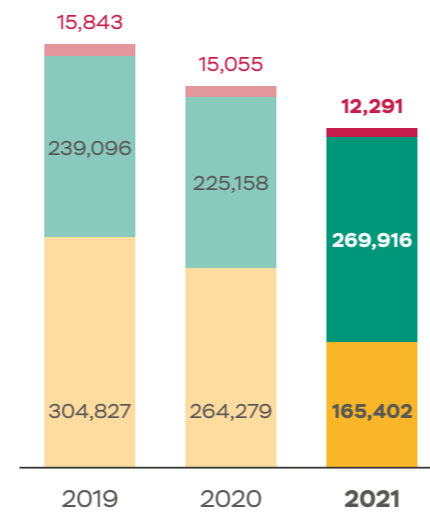
At the start of 2021, Polyus signed a contract with PJSC RusHydro to supply around 1 billion kWh of hydroelectricity to Olimpiada and Blagodatnoye. This allowed Polyus to operate solely based on renewable energy sources. The companies agreed to extend a free bilateral agreement for the sale and purchase of electricity produced at the Sayano-Shushenskaya hydropower plant by one year, (until the end of 2022). The target was announced last year and was successfully achieved.

#### Lesson learned

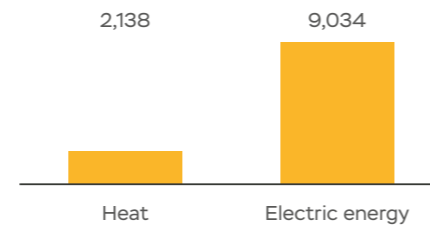
The Company's main efforts to reduce Scope 2 GHG emissions consist of transitioning to hydropower and ensuring that Polyus' electricity needs are fully covered by renewable energy sources.



### BREAKDOWN OF CONSUMPTION BY PRIMARY ENERGY SOURCE, T



### THE TOTAL ENERGY USED, TJ



### GRI 302-1

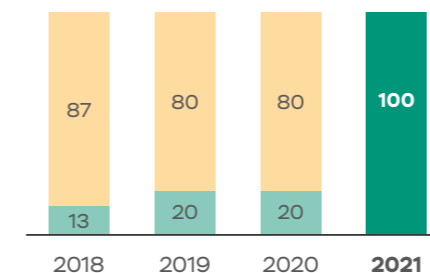
#### TURNING TO RENEWABLE ENERGY

Introducing renewable energy into the consumption structure is a key aspect of lowering environmental impacts. For many years Polyus has been making concerted efforts to speed up the implementation of renewable energy at its facilities. As a result of projects to restructure our power grid, 100% of Polyus' purchased electricity comes from renewable energy sources. This was primarily achieved through switching electricity supply at the Company's key operating assets to hydropower by signing large-scale power purchase agreements (PPAs) with Russian hydropower. To further

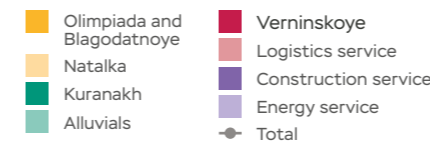
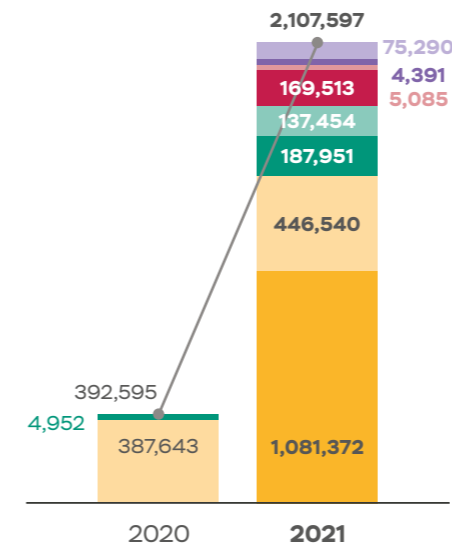
support the production of renewable energy and account for the remaining 10% of our energy requirements not yet directly met by renewables, we purchased green I-REC certificates.

In the reporting year we managed to significantly increase the purchased energy from renewable sources. In 2020, this figure was 393 thousand MWh and in the reporting period 2,108 thousand MWh. The amount of electricity purchased from renewable sources in the reporting year amounted to 1,346 thousand MWh, the rest - 762 thousand MWh procured from non-renewable sources and covered by I-REC certificates. Thus, all business units of the Company consume energy from renewable sources.

### SHARE OF CARBON-FREE ELECTRICITY CONSUMPTION AT POLYUS PRODUCTION ASSETS, %<sup>1</sup>



### GREEN ENERGY CONSUMPTION VOLUME<sup>1</sup>, THOUSAND MWh



### Case study

#### MANAGING PRODUCTION ASSETS EFFECTIVELY

One of the main changes in our organizational structure is the functional expansion of managing production assets. In the Management Company and Polyus Krasnoyarsk, the following functions were added as part of a pilot project on organizational design:

- reliability (including risk management);
- diagnostics, medium- and long-term planning (over a year);
- design documentation management and utilization of big data (for example, for scheduled repairs).

Another key challenge was to update the division of responsibilities. The newly created functions will be established based on the Management Company's competence center and department of analytics of data on maintenance and repair of buildings, reporting, methodology and development.

Within the organizational design project, the Company has built a reliable energy supply that creates a solid foundation for improving our energy efficiency. To do this, we carried out the following activities:

- developed measures and a comprehensive program for reducing energy losses, accounting for and using energy resources efficiently;
- calculated consumption rates in the Company;
- set an energy consumption regime.

Polyus ensures the secure operation of electrical facilities and power equipment, providing a high level of expertise in developing and updating requirements and instructions for the safe use of machinery.

#### Lesson learned

Through improving the management of production assets and reducing its energy consumption, the Company strives to reduce its impact on global climate change as much as possible.



## Plans for 2022 and the medium term

Polyus has determined the following operational tasks for 2022 and the medium term:

- finalization and implementation of the Climate Strategy;
- elaborating the Polyus Energy Efficiency Program.

Local communities

# Local communities



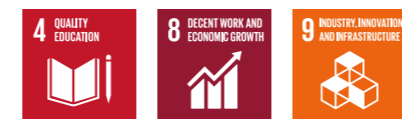
**Material topics**

- Local communities
- Procurement practices
- Economic performance
- Tax policy
- Preventing the COVID-19 spread

**Key events**

- Revision of the Concept of Charitable Activity

**UN Sustainable Development Goals**



**ICMM sustainability principles**



**2021 PERFORMANCE AGAINST GOALS**

| Goal   | Status          | Summary of progress in 2021  |
|--|-----------------|--|
| Building a strategically important highway in Krasnoyarsk Territory  | <b>Achieved</b> | More than 12 km of the only highway in the Severo-Yeniseysky District was refurbished and repaired, day-to-day maintenance of the highway was carried out, and the repair of another road section started.   |
| Constructing the most northern bridge over the Yenisey River in Krasnoyarsk Territory                            | <b>Achieved</b> | A more than 1.2-km road bridge will provide the settlement of Vysokogorsky with a year-round connection to the national road network (ferry transport and a winter road across the Yenisey River will no longer have to be used); the bridge will also contribute to the development of new mineral fields.  |
| Sponsorship of the cultural research project and continued sponsorship of art exhibitions held by Moscow museums | <b>Achieved</b> | Polyus began sponsoring the Pushkin Museum's world-famous Heinrich Schliemann Trojan Gold collection research project and sponsored the first carbon-neutral exhibition in Russia, Living Matter, held by the Tretyakov and the Triumph Galleries and the Polytechnic Museum. It also continued to sponsor the Moscow Kremlin Museums' Carl Fabergé & Feodor Rückert Exhibition (Russian Enamel Exhibition of masterpieces from Russian and British museums and private collections) and the Moscow Theater of Nations (a number of modern, immersive performances in the reporting period). |

See continuation on p. 112

ALLOCATED TO SOCIAL SUPPORT ACTIVITIES MILLION<sup>2</sup>

**\$64.2**

SPENT ON INFRASTRUCTURE DEVELOPMENT PROJECTS<sup>3</sup> MILLION

**\$37.8**

IN TAX AND LICENSE PAYMENTS REMITTED TO THE FEDERAL BUDGET MILLION

**\$653**

ECONOMIC VALUE DISTRIBUTED BY POLYUS TO GOVERNMENT MILLION

**\$665**

**Relevant documents**

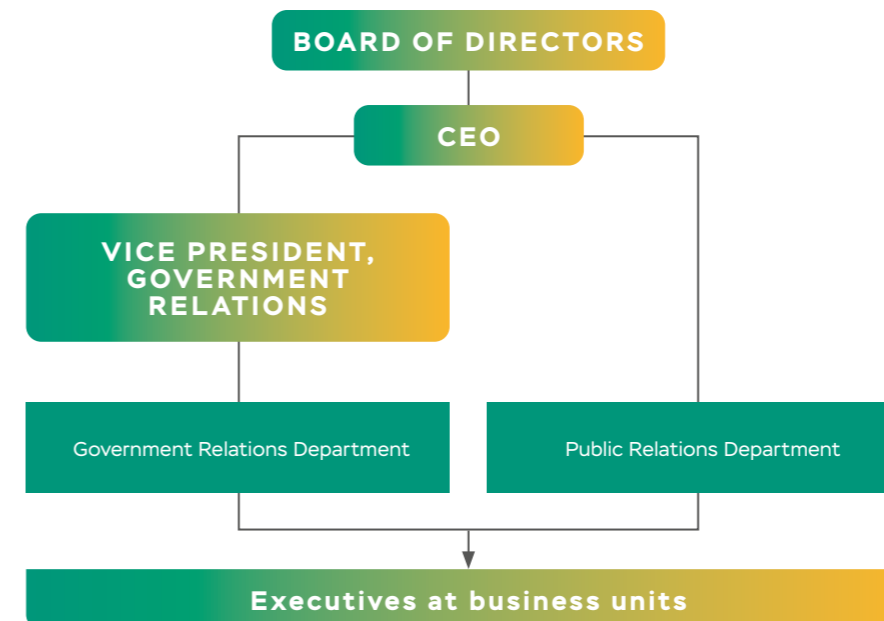
**INTERNAL**

- Charity, Donations, and Sponsorship Policy
- Regulation on Charity and Sponsorship Project Management
- Standard 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
- Extractive Industries Transparency Initiative

## Allocation of responsibilities



<sup>1</sup> Social performance.  
<sup>2</sup> The calculation in the section uses the average annual dollar exchange rate set by the Central Bank of the Russian Federation for 2021: RUB 73.65.  
<sup>3</sup> Including significant projects on the regional development, large-scale projects that result in the improvement of the public good and excluding anti-Covid projects (except for the repair of the Bodaibo Central District Hospital).



## Local communities

### Management approach

GRI 103-2 · GRI 203-1 · GRI 203-2

The Polyus approach to managing interactions with local and indigenous communities, governments, and regulators is holistic and comprehensive. This approach entails not only communication: it includes the social and economic development of our regions of operation, participating in federal and regional investment projects, remitting taxes to budgets at all levels, creating economic value for stakeholders, and giving preference to working with local suppliers.

In its activities Polyus is guided by the Sustainability Strategy, the Stakeholder Engagement Policy, the Charity, Donation and Sponsorship Policy, the Engagement with Indigenous Peoples Standard, and the Involuntary Resettlement Standard.

Sustainability Strategy goals in the area of interacting with local communities include developing regions of operation, protecting local people's health, and charity, sponsorship and social support activities.

Polyus is continuously improving its interactions with local communities. In 2021, the Board of Directors' three-year comprehensive communication strategy was launched, covering a number of activity streams, including increasing experts' participation in forums and conferences, raising awareness of the digital transformation and sustainable development program. Polyus will continue to implement the strategy in 2022, alongside increasing the Company's visibility in our regions of operation and representation in social networks.

Furthermore, in 2021, the Company came up with a new, significantly expanded Charitable and Sponsorship Activities Concept to improve the management of charity matters. Polyus plans to complete the concept's development by the end of the reporting period, integrate it within the Company's activities, and begin implementing its elements in certain charitable business unit projects in 2022. The purpose of the new concept is to create an effective operational charity management strategy and model that takes into account current trends in the Management Company and business units, best industry practices, and the UN Sustainable Development Goals, as well as the federal and regional specifics of the Company's operations.

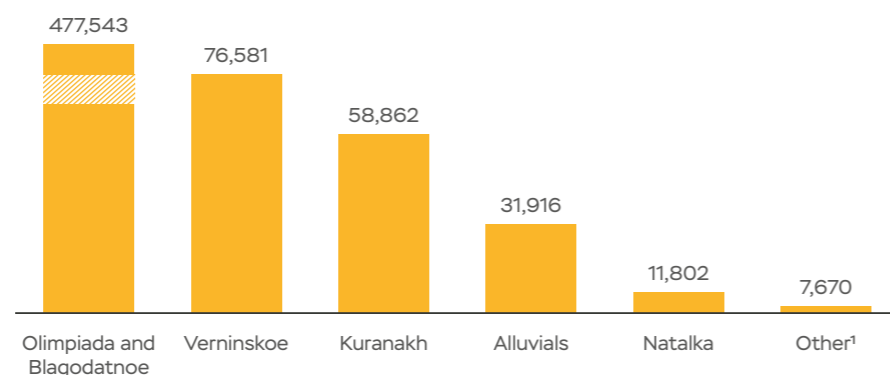
#### 2021 PERFORMANCE AGAINST GOALS

| Goal   | Status    | Summary of progress in 2021   |
|--|-----------|---|
| Continuing to hold the Territory Modern Art Festival   | Achieved  | The Territory Krasnoyarsk Modern Art Festival was held in November during a week in partnership with the Territory International Modern Art School and Festival and the Moscow Museum of Modern Art (MMOMA). The Territory Irkutsk Festival (postponed last year due to COVID-19) took place in May as planned. |
| Continuing to organize the annual Polyus Golden Season Theater Contest   | Achieved  | The sixth annual Polyus Golden Season Theater Contest was successfully held. The final took place at the Territory Krasnoyarsk Festival. Last year's winners of the fifth contest participated in the Territory Irkutsk. The event was postponed due to COVID-19.   |
| Continuing to support the festival for the Yakut national holiday of Ysyakh in the Republic of Sakha (Yakutia) | Cancelled | The Ysyakh festival was cancelled due to the epidemiological situation in the region, in order to protect local people from COVID-19.   |
| Constructing the modern Krasny Yar Sports Complex  | Achieved  | Completed November 2021. The complex is currently undergoing a pro-bono municipal ownership transfer to the city of Krasnoyarsk.  |

#### 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, mass media | Government Relations function<br>Public Relations function  |
| Employment opportunities and working conditions | Public hearings and meetings                        | Head of the Public Relations function                       |
| Infrastructure development                      | Confidential feedback boxes                         | Senior specialist in the preparation of information content |
|   | Charity activities                                  |   |
|   | Social programs                                     |   |
|   | Social networks                                     |   |
|   | Career website                                      |   |
|   | YouTube channel                                     |   |

#### POLYUS' NET PAYMENTS TO GOVERNMENTS, \$ THOUSAND



Polyus treats all local groups with equal respect. For example, Yakuts make up half of the population of the Republic of Sakha (Yakutia), and are its indigenous people according to the republic's constitution. The Company supports the festival of the main Yakut national holiday, Ysyakh, every year. In addition to this, internal Polyus documents prescribe consulting with indigenous ethnic groups' representatives on the Company's activities.

The Company endeavors to maintain effective relationships with government bodies at both federal and regional levels, carry out continuous communication activities with local communities, and facilitate local infrastructure development and preservation. As part of infrastructure maintenance Polyus participates in the Safe and High-Quality Roads National Project, sponsoring the renovation of a strategically important highway in Krasnoyarsk Territory.

Polyus is a member of various industry unions and associations, and this includes a partnership with the International Council for Mining and Metals (ICMM) to provide educational opportunities to local communities. Related to this, Polyus created a manual on managing social matters in the reporting period. The manual highlights the importance for the Company of providing educational programs to local communities. In accordance with leading ICMM practices, Polyus plans to further develop this practice.

When holding a dialogue with local communities Polyus uses both traditional and modern communication methods. Due to COVID-19, online communication increased in 2021. At the same time, the Company continues to operate within the framework of social and economic partnership agreements, and also participates in regional and city forums.

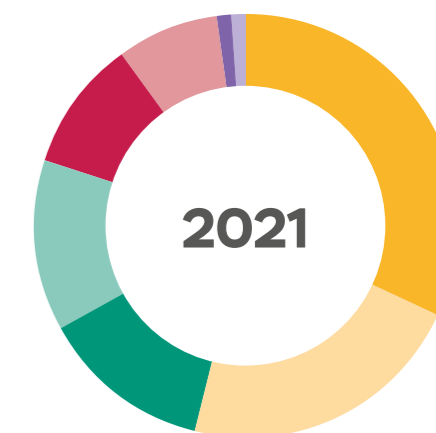
In the reporting period business units concluded new agreements with regional and local government bodies, and Polyus was a strategic partner of the Krasnoyarsk Economic Forum.

In the reporting period Polyus achieved a significant increase in the volume of charity and sponsorship activities in relation to both federal and regional projects. In 2021, Company investments in this area amounted to more than \$64 million, a third more than in 2020. Such growth was possible thanks to the current dynamics of the Company's strategy, which focuses on certain social support streams that include education and science, regional development, culture and art, and sports and which are formalized in the Company's policies and regulations related to charitable activities, donations, and sponsorship.

Despite the fact that the Company rapidly and systematically responded to all the challenges and threats including regional ones in 2020, it continued to actively support local communities to combat COVID-19 in the reporting period. Polyus completed plans to transfer medical equipment to local hospitals and provide them with additional financial support. The Company plans to continue these social support streams in 2022, which will facilitate Polyus and local communities' sustainable growth.

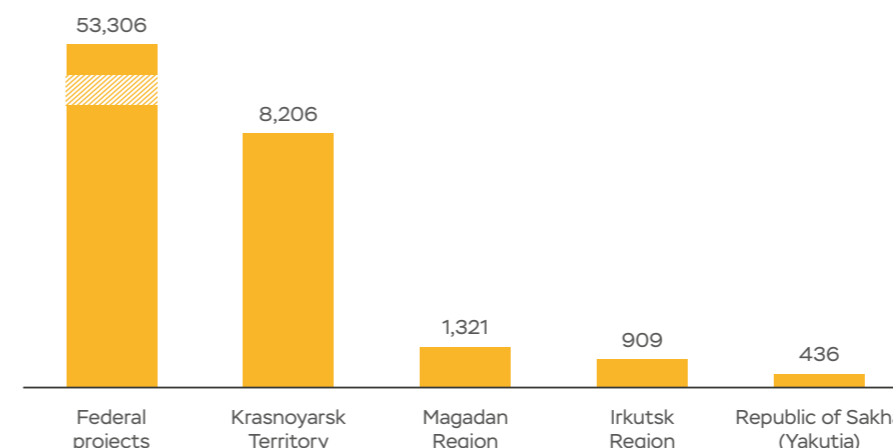
As one of the five-largest gold mining companies in the world, Polyus openly and transparently remits significant levels of income and mineral extraction taxes to the federal budget and budgets of regions of operation. As a result, the Company can have a significant positive impact on the well-being of local communities, and facilitate the sustainable socio-economic development of our regions of operation.

#### EXPENDITURE ON SOCIAL SUPPORT, BY CATEGORY, %



|  |    |
|--|----|
| Education and science  | 32 |
| Sports and healthy lifestyle                                 | 22 |
| Regional development   | 13 |
| Support for vulnerable social groups                         | 13 |
| Promoting the activities of industry unions and associations | 10 |
| Art and culture  | 8  |
| Anti-COVID measures  | 1  |
| Ecological projects and environmental protection             | <1 |

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



<sup>1</sup> Incl. the Management Company, Polyus Logistics, Polyus PJSC, Sukhoi Log, Chertovo Koryto and other consolidated companies and eliminations.

## Local communities

### Contributing to regional socio-economic development

Polyus makes significant contributions to the socio-economic development of the largest Russian geographical regions, Siberia and the Russian Far East, where the Company carries out industrial activity.

These contributions include substantial tax payments to the federal budget and budgets of our regions of operation and significant investments in the economy of these regions. The Company supports federal, regional, and primarily local investment projects. Projects are determined by social and economic partnership agreements, which are concluded by business units with regional and local government bodies.

For example, Polyus is a partner of the Yenisey Siberia Comprehensive Investment Project, implemented in the Krasnoyarsk Territory, the main region where the Company operates. The project's goals are to boost the region's transport accessibility, generate thousands of new jobs, and significantly raise tax revenues for regional budgets through developing mining as well as providing effective support to small- and medium-sized businesses and science and education bodies by increasing collaboration efforts.

In 2021, the Far Eastern economy grew by more than 3%. Growth also took place in fixed-capital investments and in the industrial production volume in the region. Achieving such indicators was possible mainly on account of gold and other mineral resources extraction projects (this conclusion was made by the Eastern State Planning Center Federal Institution).

All Polyus business units systemically interact with regional and local government bodies as part of social and economic partnership agreements. When implementing these agreements the Company annually establishes and applies measures to interact with local communities. In 2021, Polyus standardized the implementation procedure for agreements and made significant changes due to the COVID-19 pandemic.

#### MAIN PARTNERSHIP AGREEMENTS

| Agreement  | Progress               | Content  |
|--|------------------------|--|
| Social and economic partnership agreement between Polyus Krasnoyarsk and Krasnoyarsk Territory Government for 2020-2025 <sup>1</sup> | Concluded <sup>2</sup> | Primarily social and industrial development matters, including the repair of the regionally important highway in the Severo-Yeniseysky District.                 |
| Agreements between Polyus Krasnoyarsk and Krasnoyarsk City Administration  | Concluded              | The joint development of urban physical education and sports facilities.   |
| Agreement between Polyus Krasnoyarsk and the Siberian Federal University   | Concluded              | Education, employment and careers, information technology and fostering a favorable industry environment.  |
| Additional social and economic partnership agreement between Verninskoye and Bodaibo City and District Administration                | Extended               | Financing social projects significant for the district and providing support for vulnerable people.  |
| Agreement between Alluvials, Bodaibo City and District Administration and Bodaibo Urban Settlement Municipal Administration          | Extended               | Sports activities for young people, online education for school children, medical equipment to combat COVID-19, social and infrastructure projects and programs. |
| 5-year-long social and economic partnership agreement between Natalka and the Magadan Region Government for 2018-2023                | Existing               |  |
| Agreements between Kuranakh, Yakutia, and the Aldan District and Nizhny Kuranakh Village Administrations                             | Existing               | Employment, constructing social buildings, heating, healthcare and sport.  |

<sup>1</sup> Up to 2028 in terms of the highway in the Severo-Yeniseysky District.

<sup>2</sup> Extended at the very end of 2020; implementation began in 2021; an additional agreement was signed in 2022.



## Local communities

### Contributing to regional socio-economic development



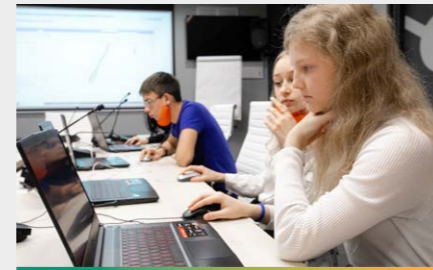
#### FEDERAL PROJECTS

- Pushkin Museum's Trojan Gold collection research project.
- The Tretyakov and the Triumph Galleries' and the Polytechnic Museum's first carbon-neutral Living Matter exhibition in Russia.
- Moscow Kremlin Museums' Carl Fabergé Exhibition.



#### KRASNOYARSK TERRITORY

- Highway in the Severo-Yeniseysky District.
- Road bridge in the Vysokogorsky Settlement.
- Russia's longest steps going up to the Torgashino Mountain Range.
- Arranging the New Year's festive area in the Severo-Yeniseysky Settlement.
- Continued efforts to combat COVID-19.
- The Territory Krasnoyarsk Modern Art Festival.
- The sixth Polyus Golden Season Theater Contest.
- Modern multifunctional Krasny Yar Sports Complex.
- Krasny Yar Rugby Club.
- Zhara half-marathon.
- Holding the All-Russian Spring Cup Rhythmic Gymnastics Competition.
- New exhibition hall for the Central Siberia Geological Museum.
- Sponsoring the territory's oldest geological school Olympiad.



#### IRKUTSK REGION

- Renovating the Bodaibo City and District Cultural and Leisure Center.
- Refurbishing the Ivan and Matryona Children's Clinic Hospital.
- Continued efforts to combat COVID-19.
- The Territory Irkutsk Modern Art Festival with finalists of the fifth Golden Season Theater Contest participating.
- Supporting the reconstruction of the Bodaibo memorial complex in honor of fallen and missing warriors of the Great Patriotic War.
- Continued construction of sports and recreation complex with a swimming pool in the city of Nizhneudinsk.
- Supporting Bodaibo Mining College educational programs.
- Become Father Frost Charity Event.



#### REPUBLIC OF SAKHA (YAKUTIA)

- Constructing the Youth Public Garden in the Nizhny Kuranakh Settlement.
- Providing the Aldan Central District and Nizhny Kuranakh hospitals with medical equipment.
- Installing educational equipment in the Aldan Polytechnic College and Nizhny Kuranakh Settlement Gymnasium.
- Supporting the victims of summer wildfires on the territory of the republic.



#### MAGADAN REGION

- Comprehensive site improvement and donating equipment to the Ust-Omchug Settlement.
- Purchasing a concrete mini-plant for the needs of the entire Tenka District.
- Major repairs to a school canteen in the Ust-Omchug Settlement.
- Relocating residents from dilapidated housing in the Omchak Settlement.
- Financial support for the Magadan Music and Drama Theater (part of the Moscow international theater forum).
- Installing an environment surveillance system at the federal natural monument of Talan Island.

#### LEGEND

- Infrastructure and living standards
- Healthcare
- Art and culture
- Sports and healthy lifestyle
- Science and education
- Charity and social
- Environmental protection



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

**\$64.2**

TOTAL VALUE OF SOCIAL AND CHARITY PROJECTS IMPLEMENTED IN 2021

**\$37.8**

## Local communities

### Contributing to regional socio-economic development (continue)

## Krasnoyarsk Territory

The Company's main deposits, Olimpiada and Blagodatnoye, are located in Krasnoyarsk Territory, the Company's largest operational area. The Olimpiada deposit has the largest extraction volume among all Polyus fields, while the nearby Blagodatnoye deposit has the second largest. The Olimpiada deposit has been in development for 40 years and is an inalienable part of the lives of local communities.

Polyus holds annual charity events for local communities in the areas of culture and art, education, and sports. In the reporting period the Company standardized the organization of events after 2020, when existing plans were altered significantly, due to COVID-19, with the purpose of protecting people's health. Thus, in 2021, Polyus implemented 35 charitable and sponsorship projects totaling more than \$8.2 million.

The year of 2021 was also marked by the Company's active development of the transport infrastructure of the region. Polyus participates in a national investment project, as well as in a regional one. Both of these have improving regional road infrastructure as their main goals.



Case study

#### STRATEGICALLY IMPORTANT HIGHWAY

Polyus has repaired the road sections of a regionally important highway in the Severo-Yeniseysky District. It is the only highway in the area stretching from the regional center, the city of Krasnoyarsk, to the main Company deposits. This road is used to transport gold ore, building materials, and timber. In 2021, Polyus renovated and repaired over 12 km of the road, installed road signs and metal barriers, carried out day-to-day maintenance along the entire highway, and began repairing another road section. These actions made the road profile straighter, strengthened the road surface, and improved its water permeability. As a result, the highway's traffic capacity and safety will increase, as will the road surface's service time. The level of financing for this project is more than \$6 million. Through these efforts the Company plays an active role in the Safe and High-Quality Roads National Project.

#### Lesson learned

The Severo-Yeniseysky District highway is of strategic importance for the development of the region, as well as Polyus' industrial activity. The renovation of the road will facilitate the exchange of supplies and help the Company deliver materials quicker and more safely.



Case study

#### MOST NORTHERN BRIDGE OVER THE YENISEY

In 2021, half of the construction works on the road bridge over the Yenisey River was completed in the settlement of Vysokogorsky. It was the most northern bridge over the river at the time of construction. The bridge construction project was undertaken as part of the Lower Angara River Economic District Comprehensive Development Federal Program. Current construction is being performed as part of the Mainline Infrastructure Modernization and Expansion Comprehensive Plan. This plan was developed as part of the regional Yenisey Siberia Comprehensive Investment Project. The Company installed the majority of bridge supports, fully constructed the right-bank span structure, began construction above the riverbed, put the left-bank bypass road into operation, and almost completed access road preparatory works on both banks. The annual budget allocated for the latest activity alone is in excess of \$6 million. The bridge will exceed 1 km in length and will replace ferry transport and a winter road across the Yenisey River.

#### Lesson learned

The road bridge over the Yenisey will provide the local settlement of Vysokogorsky with a year-round connection to the national road network and also contribute to the development of new Company mineral fields.



Case study

#### TERRITORY KRASNOYARSK MODERN ART FESTIVAL AND POLYUS GOLDEN SEASON THEATER CONTEST

Polyus continued to hold the annual Territory Modern Art Festival, which this time took place in Krasnoyarsk. The week-long festival was held, in partnership with the Territory International Modern Art School and Festival and the Moscow Museum of Modern Art (MMOMA).

The festival was held from 15 to 21 November at five city sites. For seven days, 35 events were held and attended by around 4,500 spectators. Over 300 participants were involved in the events. Prepared theater performances were presented by leading Russian theater groups. At the Peace Square Museum Center, Siberia's largest modern art complex, MMOMA's Forms of the Miraculous Exhibition, by Russian artist Sasha Frolova, was showcased.

In addition to the Territory Festival, the Company continued to organize the annual Polyus Golden Season Theater Contest. The sixth Polyus theater contest was successfully held, with the final being held at the Territory Krasnoyarsk Festival. Over 90 people from nine theater groups from regions where the Company operates took part in the festival's educational program.

#### Lesson learned

Polyus cares about people's quality of life and education, and this includes modern art and theater development activities; hence the Company holds the Territory Modern Art Festival and the Polyus Golden Season Theater Contest each year.



Case study

#### MODERN SPORTS COMPLEX

In 2021 Polyus completed construction of the modern, multi-functional Krasny Yar Sports Complex at the Company-sponsored Krasny Yar Rugby Club, and completed all construction works in November, less than 18 months after they started. The building has four storeys and is about 3,500 m<sup>2</sup> in area. It also already offers indoor tennis courts, a universal sports hall (for football and basketball), a fitness and dance hall, recreation center, table tennis facilities, rugby pitch, a hotel for visiting rugby teams, and an outdoor summer football pitch. There is a children's sports school for more than 550 children in Krasny Yar. Support for sports initiatives and social infrastructure remains Polyus priority within the development of territories. The Company has allocated almost \$3.5 million to this particular construction project, and is currently transferring the complex pro bono to the municipal ownership of the city of Krasnoyarsk (to be finalized in 1Q 2022).

#### Lesson learned

Polyus has implemented a valuable infrastructure project to promote sports activities and healthy lifestyles among local people, especially young citizens, and wishes to make the Krasny Yar Sports Complex a popular and affordable place for everyday life in the city of Krasnoyarsk. The Company considers the well-being of future generations priceless.



Case study

#### THE STRONGEST RUSSIAN RUGBY CLUB

For the past four years, as part of the Cooperation Agreement on Physical Culture and Sports Development concluded with the city of Krasnoyarsk Administration, Polyus has acted as general sponsor of the Krasny Yar Rugby Club, one of the strongest rugby teams in Russia. The city of Krasnoyarsk is known as the capital of Russian rugby. Another rugby club based in the city, Yenisey-STM, is the main rival of Krasny Yar; their matches are the only non-Moscow derby in the Russian Rugby Championship. Thanks to Polyus financing, Krasny Yar has one of the biggest budgets among Russian rugby teams. This sponsorship helped Krasny Yar to win two Russian Cups in a row, reach one final, and win three consecutive national championship silver medals. The club's stadium is usually sold out on match days, thereby demonstrating the importance of rugby to the local people of Krasnoyarsk, who consider it their "native" sport.

#### Lesson learned

Polyus is the general sponsor of the Krasny Yar Rugby Club, which is of great importance for local people. The team has become an established fixture and genuine local brand known all over Russia.

## Local communities

### Contributing to regional socio-economic development (continue)

#### Case study



#### THE MOST POPULAR HALF-MARATHON IN SIBERIA AND THE RUSSIAN FAR EAST

For the past five years the Zhara half-marathon race has been held annually in Krasnoyarsk. Polyus operates as a general partner of this sports event. Zhara is one of the city's leading athletic events, and is the most popular half-marathon in Siberia and the Russian Far East. Amateur runners from all over the country and of any age can participate. In 2021, an inclusive Zhara Race for people with special needs was held for the third time. In the reporting period the total number of Zhara Race participants stood at 2,500 people.

#### Lesson learned

Polyus cares about local people's health, which can be effectively improved with the help of running. The Zhara half-marathon is already much more than an ordinary regional event and inclusively unites various enthusiasts from all over the country.

#### Case study



#### NEW EXHIBITION HALL FOR A MUSEUM AND THE OLDEST SCHOOL OLYMPIAD IN THE REGION

In 2021, Polyus supported the Central Siberia Geological Museum (GEOS) in the repair of an exhibition hall in the Krasnoyarsk city center. GEOS was previously housed in a building at a food college, and had been searching for a new premises for several years. The museum is managed by Krasnoyarsk Territory's Ministry of Environment and Rational Environmental Management and boasts over 9,000 exhibits, dating back to the 19th century. In partnership with the Mining, Geological, and Geotechnological Institute of the Siberian Federal University, the largest in Siberia and the Russian Far East, GEOS holds the oldest geological school Olympiad in Krasnoyarsk Territory. Related research subjects include geochemical processes in regional mineral deposits and geological monuments. In 2021, Polyus sponsored the organization of the Olympiad.

#### Lesson learned

Culture and education are inextricably linked, hence Polyus supports both these areas equally. This can be seen in its substantial sponsorship of both the Central Siberia Geological Museum and the regional geological school Olympiad held by it.

#### Case study



#### INTERNATIONAL SPORTS COMPETITION

Over three spring days, from 28 to 30 April, the All-Russian Spring Cup Rhythmic Gymnastics Competition was held in Krasnoyarsk for the eighth time. This master-level competition gathered about 700 gymnasts from 29 regions. It is already a tradition for the Company to support this international sports event. This year Polyus allocated \$27,000 for this purpose.

#### Lesson learned

Polyus considers the popularization of sports and healthy lifestyle among young generation to be important, and therefore sponsors the All-Russian Spring Cup International Rhythmic Gymnastics Competition.

#### Case study



#### NEW YEAR FOR THE SETTLEMENT

For its residents and guests Polyus arranged the New Year's festive area in the Severo-Yeniseysky Settlement. The Company supported the creation of the area with modern certified slides corresponding to all current standards and safety requirements. The funds allocated to this project amounted to \$31,000.

#### Lesson learned

Polyus cares about the well-being of local people and appreciates the nation-wide holidays, including the New Year's celebration arranged in the Severo-Yeniseysky Settlement.

#### Case study



#### COMBATTING COVID-19

As part of the fight against COVID-19, in 2021, Polyus provided medical institutions in Krasnoyarsk Territory with charitable support. The support entailed the purchase of medical equipment and medicines. The total size of this charity project was more than \$770,000.

#### Lesson learned

For Polyus there is nothing more crucial than people's lives, that's why for the second consecutive year the Company has been striving to help local communities in the fight against COVID-19 as much as possible.



## Local communities

### Contributing to regional socio-economic development (continue)

## Irkutsk Region

Polyus is currently developing the Verninskoye deposit and the nearby Alluvials. The Verninskoye deposit is relatively large and one of the Company's youngest assets, which celebrated its tenth anniversary in 2021. In this relatively short period Polyus quadrupled its processing capacity, resulting in a 60% jump in annual throughput. Verninskoye boasts the highest recovery rate among all the Company's operating assets.

The most topical and strategically important project for Polyus is exploring and starting development at the Sukhoi Log deposit.

The Company has thus been facilitating the social and economic development of local communities in the Irkutsk Region for a number of years and plans to expand this activity significantly in the near future.



Case study

#### SUPPORT FOR A CHILDREN'S HOSPITAL

Polyus sponsors the Ivan and Matrona Children's Clinic Hospital in Irkutsk and contributed about \$200,000 to its repair and expansion. This hospital is the oldest children's medical institution in Eastern Siberia and one of the largest multidisciplinary medical institutions in the entire Siberian region. The hospital is known for its Newborns Surgery and Resuscitation Center.

At the end of 2021, the newborn and premature baby surgery department was opened after being renovated. People from the Irkutsk Region and other regions can be referred to this department.

The Company allocated funds towards major repairs and to purchase required medical equipment. The department's hall was made brighter and more spacious, and a reception desk was installed. The walls and ceiling were covered with special materials required by medical institutions. All engineering networks were also overhauled.

New tracking displays and closed resuscitation systems were also installed, which are able to transform into open systems, and infusion pumps – devices that supply solutions intravenously at a certain speed, which is important in the treatment of newborns. The doctors' staffroom was expanded and each doctor was provided with a computer.

#### Lesson learned

The issue of the health of future generations is immeasurably important for Polyus, and the Company takes care of it through sponsoring the Ivan and Matrona Children's Clinic Hospital.



Case study

#### RENOVATION OF CULTURAL AND LEISURE CENTER

Polyus co-financed the renovation of the Bodaibo City and District Cultural and Leisure Center, and allocated around \$90,000 to the project. The center is the only large site for cultural events in the district where charitable performances and graduation parties are held and where clubs, hobby groups, and fans' societies can congregate. During the renovation a new building was built, which replaces the rented cinema hall which had no special rooms for cultural events.

The renovation will increase the usable area significantly, organize spaces for clubs, and equip special rooms. As a result, the center will become a fully-fledged part of the city infrastructure and increase the quality of life in the district. Final work on the building's facade will take place in 2022.

#### Lesson learned

Polyus appreciates the significant role that interests and hobbies play in the well-being of local people who can now satisfy their desires in the renovated Bodaibo City and District Cultural and Leisure Center.



Case study

#### EDUCATION FOR THE YOUNG GENERATION

Polyus supports Bodaibo Mining College educational programs and the creation of a modern material and technical base for training metals and mining specialists. Such specialists include geologists, mine surveyors, demolition specialists, and miners. In 2021, the level of support for the Mineral Processing and Energetics programs stood at around \$50,000.

The Company regularly holds career guidance events for college students, where they learn about working conditions in Polyus business units.

#### Lesson learned

By partnering with the Bodaibo Mining College, Polyus creates promising opportunities for secure, well-paid, high-quality jobs for local young people.



Case study

#### BECOME FATHER FROST CHARITY EVENT

Throughout 2021 Polyus Verninskoye provided support to children in the Bodaibo City and District. The New Year was another wonderful occasion for the children to celebrate the holiday and be presented with gifts, as part of the traditional Become Father Frost Charity Event held by Polyus.

Children from low-income and large families received clothes, shoes and other gifts worth around \$15,000. The clothing sets included jackets, warm caps, sportswear, winter shoes, and sneakers.

#### Lesson learned

The Become Father Frost Charity Event forms part of Polyus' policy to care about the youngest generation whose well-being is crucial for the regions' future prosperity.



Case study

#### SAVING THE MEMORY ABOUT THE PEOPLE

Polyus supported the reconstruction of the Bodaibo Memorial Complex in Honor of Fallen and Missing Warriors of the Great Patriotic War. During the reconstructing process the memorial plates with 4,003 surnames of the soldiers were installed, the memorial was coated with granite of three colors, and the statue of a soldier was bronzed.

#### Lesson learned

Polyus considers that it's impossible to overestimate the importance of the memory about the Great Patriotic War and its heroes, that's why the Company thoroughly saves this memory for the current and future generations.

## Local communities

### Contributing to regional socio-economic development (continue)



Case study

#### SWIMMING COMPLEX FOR THE LOCAL COMMUNITIES

In the reporting period Polyus continued constructing a sports and recreation complex with an indoor swimming pool in the city of Nizhneudinsk. The total area of the complex is 900 m<sup>2</sup>, with a standard pool measuring 25 by 8.5 m. The Company plans to submit the ready-made building in September 2022. By the end of 2021, the cost of the project had reached more than \$1.7 million.

#### Lesson learned

A healthy and sporty lifestyle of the local people is crucial for Polyus. The Company creates many opportunities for local communities, including the swimming complex in Nizhneudinsk.



Case study

#### TERRITORY IRKUTSK MODERN ART FESTIVAL

In May Polyus held the Territory Irkutsk Modern Art Festival. This annual festival was scheduled to take place in Irkutsk in 2020, but was postponed to the following year to protect people from the COVID-19 pandemic. This time the festival was held successfully as planned.

The winners of the fifth Polyus Golden Season Theater Contest, who were unable to do this in 2020, took part in the Territory Irkutsk Festival. The participants attended lectures and master classes given by leading figures from the theater. The groups that achieved the first three places presented performances as part of the festival program.

#### Lesson learned

Polyus values local communities and has implemented the plan to hold the postponed Territory Irkutsk Modern Art Festival, in which lots of local artists and residents have participated, thus minimizing some of the social effects of the pandemic.



Case study

#### FIGHTING COVID-19

As part of the fight against the spread of COVID-19, Lenzoloto supported the Bodaibo Central District Hospital in purchasing a high-quality Newport artificial lung ventilation device, a cardiomonitor for resuscitation, an endoscopic nasopharyngoscope, and a Mindray hematology analyzer, which help in the treatment of COVID-19 patients. Throughout 2021, Polyus regularly supplied valuable devices and medicines to treat such patients. These devices and medicines consisted of a bronchoscope, nebulizers, oxygen concentrators, pulse oximeters, antibiotics, hormones, and other medicines.

#### Lesson learned

Polyus cares about the local people of the city of Bodaibo in the Irkutsk Region, and donated vital medical equipment during the recent pandemic period.



## Local communities

### Contributing to regional socio-economic development (continue)

## Republic of Sakha (Yakutia)

The Kuranakh ore field is located in the Aldan District of Yakutia. This field comprises 11 deposits that have been being developed for more than 55 years by numerous generations. The Kuranakh mill has been expanded three times in recent years. The mill's capacity has been increased by more than 150%, up to 6 mtpa. Kuranakh is currently expanding the Kuranakh mill to a capacity of 7.5 mtpa. In addition, in recent years the Company has been performing heap leaching activities at a site with a capacity of 1.5 mtpa. Production growth fosters prosperity within local communities.



Case study

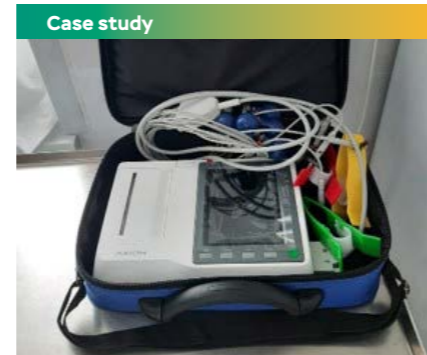
#### EQUIPMENT FOR GYMNASIUM AND COLLEGE

Kuranakh provided the Nizhny Kuranakh Settlement Gymnasium with robotic equipment for a special classroom. The equipment cost over \$6,500. Students will have an opportunity to gain constructing and programming skills during technology and computer science lessons, as well as in extracurricular activities, and a chance to participate online in republic-wide and all-Russian robotics contests.

The Company sponsored Aldan Polytechnic College by equipping and installing equipment in a Polyus-branded Mineral Enrichment Laboratory, at a cost of around \$5,500. As a result, college students are given the opportunity to operate with a large volume of diverse information, integrate it, model non-standard processes, and obtain a level of independence in their research work.

#### Lesson learned

Polyus is sure of the need to support education, therefore the Company creates opportunities for the self-development of young people, sponsoring such institutions as the Nizhny Kuranakh Settlement Gymnasium and Aldan Polytechnic College.



Case study

#### NECESSARY MEDICAL EQUIPMENT FOR LOCAL HOSPITALS

Polyus donated equipment costing over \$60,000 to the Nizhny Kuranakh Hospital, as part of its charity support. The equipment will operate in the hospital's clinical and diagnostics laboratory, and will play a role in conducting medical examinations, including patients undergoing treatment in the hospital, and will also be used to issue medical certificates for students entering university.

The Aldan Central District Hospital was provided with medical equipment, which included a dental unit and electrocardiograph. This equipment cost the Company \$4,000 and will allow local people to receive high-quality medical care. Polyus also provided the hospital with personal protective equipment, including medical masks, gloves, and disposable jumpsuits, on an ongoing basis due to COVID-19 conditions.

#### Lesson learned

Health is undoubtedly of vital importance for local people, that's why it is crucial for Polyus too, and the Company will continue to sponsor local hospitals, for example, the Nizhny Kuranakh Hospital.



Case study

#### CONSTRUCTING A PUBLIC GARDEN

Kuranakh improves public spaces. The Company co-sponsored the construction of the Youth Public Garden in the settlement of Nizhny Kuranakh. Polyus supported the municipal administration by donating over \$75,000.

#### Lesson learned

Polyus cares about the development of a favorable urban environment in the regions of operation. This is demonstrated by the construction of the public garden in Nizhny Kuranakh.



Case study

#### DEALING WITH THE AFTERMATH OF WILDFIRES

Polyus supported the victims of summer wildfires in the Republic of Sakha (Yakutia). The Company donated over \$65,000 to the Future Generations of Yakutia Trust Fund.

#### Lesson learned

Polyus is a socially responsible company and can't leave the local people, being in need after the Yakutia wildfires, without support.



## Local communities

### Contributing to regional socio-economic development (continue)

# Magadan Region

The Nataka deposit is located in the Tenka District of the Magadan Region. Polyus Magadan is the newest Polyus business unit and the Nataka mill reached full operational capacity in 2018. The Nataka deposit is already the second largest by production volume among all the Company's deposits, together with Blagodatnoye.

Over a short period of time, Polyus has raised the mill's capacity from 10 to 12.4 mtpa, and this is set to increase further. The Nataka mill provides large production volumes and positively impacts local communities of the region, supplying them with jobs, and remitting tax payments to local budgets.



Case study

#### ONE OF THE BEST SCHOOL CANTEENS IN THE REGION

Special attention is paid by Polyus to the social infrastructure of the district. In partnership with the Ust-Omchug Settlement Administration, a major repair project for a school canteen in the settlement was carried out in 2021. The canteen was not only repaired, but also completely modernized in accordance with technical requirements and norms: new, high-tech equipment for the food hall was purchased and installed, modern furniture for the canteen was purchased as well. In addition, a refrigerating container for storing large volume of food was purchased. The \$220,000 spent by the Company has made the Ust-Omchug Settlement School canteen one of the best in Magadan Region.

#### Lesson learned

Polyus cares about young people in Ust-Omchug, including school children, their health and nutrition, and creates comfortable conditions for them to study under.



Case study

#### COMPREHENSIVE SITE IMPROVEMENT AND MINI-PLANT PURCHASE

In the Ust-Omchug settlement, the administrative center of the Tenka District, Polyus carried out comprehensive site improvement. At the expense of the Company, work was carried out on the repair and painting of facades of several buildings in an artistic style. One building required and received major repairs. Children's playground equipment, namely swings and merry-go-rounds, was additionally purchased and a protective layer was added. The cost of the project amounted over \$235,000.

In order to resolve the pressing issue of clearing roads and courtyards in the Ust-Omchug Settlement in the winter season, Polyus donated a Volvo G976 motor grader vehicle to the Tenka District Administration.

Polyus also financed the purchase of a mini-plant, at a cost of over \$105,000, for the production of stones for walls, paving slabs, and road and sidewalk curbs that can be used to improve the appearance of the entire Tenka District.

#### Lesson learned

The safety and appearance of towns of operation are crucial for Polyus, that's why the Company improved the site of Ust-Omchug significantly.



Case study

#### SPONSORSHIP OF MAGADAN MUSIC AND DRAMA THEATER

Polyus provided financial support of \$13,000 to the Magadan Music and Drama Theater. Thanks to this, the theater team was able to fly to Moscow, to the opposite end of Russia, to participate in the 19th Golden Viking International Theater Forum. The theater team performed on the Moscow stage for the first time in its more than 80-year history. At the World's End performance won the main prize at the forum.

#### Lesson learned

Polyus sponsors the Magadan Music and Drama Theater, in which many talented local people play, as the Company takes cultural life very seriously and strives to constantly improve it.



Case study

#### PROTECTING THE ENVIRONMENT

Polyus began a partnership with the Biological Issues of the North Institute and financed the installation of a surveillance system, at a cost of around \$10,000, for round-the-clock environmental monitoring and protection of the federal natural monument of Talan Island.

#### Lesson learned

Polyus cares about local environment and implements crucial projects on biodiversity, including the natural monument of Talan Island. The Company plans to expand its work in the area of environmental protection.



Case study

#### IMPROVING THE LIVING CONDITIONS OF LOCAL PEOPLE

Polyus continued to support the social project on the relocation of Omchak Settlement residents from dilapidated housing. Compensation for the withdrawn housing was paid to 28 families living in it, according to established tariffs. Demolition work was performed on two resettled buildings in the Omchak Settlement. The cost of these works totaled more than \$120,000.

#### Lesson learned

People's safety and well-being is paramount for the Company, not only at its production facilities, but also in local settlements, including Omchak.



## Local communities

### Contributing to regional socio-economic development (continue)

#### Taxes

##### GRI 207-1

Polyus is a responsible taxpayer that complies strictly with all applicable Russian tax legislation.

A separate legal entity within the Company, the Shared Service Center, handles tax accounting for most entities within Polyus, including the timely preparation and filing tax returns. This ensures that a unified taxation and tax practice approach is applied within the Company.

The Polyus Tax Department, which is an integral part of the Polyus Finance and Strategy Division, details tax policies for key Polyus entities. The Department works closely with the Shared Service Center to ensure that all tax policies are appropriately implemented.

Polyus is one of the largest taxpayers in its regions of operation. By remitting all applicable tax payments to local authorities, we make a substantial contribution to the sustainable socio-economic development of our 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 tax risk control processes and systems in place.

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 holds periodic tax-related trainings for employees in order to communicate current trends and changes to them.

The Company's tax activities are regularly reviewed by an internal and external auditors. Polyus' financial statements are also subject to an assurance process by an external auditor. Our Company is a responsible taxpayer, and there have been no reports from our stakeholders about unethical behavior from our Company in relation to tax.

##### GRI 207-4

#### TAXES PAID BY POLYUS PJSC<sup>1</sup>, \$ MILLION

| Indicator   | Russian Federation |                     |
|---|--------------------|---------------------|
|   | 2021               | 2020                |
| Main activities of the Company  | Mining             |                     |
| Number of employees (with an indication of the approach to the calculation of this indicator) | 21,301             | 20,729 <sup>2</sup> |
| Revenue from sales to third parties   | 4,966              | 4,998               |
| Revenue from intra-group transactions with other tax jurisdictions                            | -                  | -                   |
| Profit/loss before tax  | 2,758              | 2,062               |
| Tangible assets other than cash and cash equivalents  | 6,001              | 5,336               |
| Income tax paid   | 401                | 415                 |
| Income tax accrued on profit/loss   | 402                | 417                 |
| Total employee remuneration   | 649                | 599                 |
| Taxes withheld and paid on behalf of employees  | 254                | 224                 |
| Taxes collected from customers  | 0                  | 0                   |
| Industry-related taxes and other taxes or payments to governments                             | 273                | 249                 |
| <i>Tax on mining</i>  | 252                | 229                 |
| <i>Property tax</i>   | 19                 | 18                  |
| <i>Other taxes</i>  | 2                  | 2                   |
| Significant uncertain tax positions   | 0                  | 0                   |

Polyus regularly monitors tax changes and updates its operations as necessary. The Company actively cooperates with the tax committees of the Russian Union of Industrialists and Entrepreneurs and the national Chamber of Commerce and Industry. When preparing sustainability reports, the Company covers topics that are of material interest to 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 Company's top 20 corporate risks. [For details on how we identify and monitor these risks, see the Annual Review 2021.](#)

Polyus actively and regularly communicates with tax authorities in a spirit of cooperative compliance, and we seek to resolve any disputed matters through proactive and transparent discussion and negotiation. [For details, see the Financial Statements, Annual Review 2021.](#)

#### Creating economic value for stakeholders

Direct economic value is the value that Polyus creates through its operations, which is then distributed to stakeholders, including local communities. Any unallocated economic value is reinvested by the Company into business development activities.

In 2021, the economic value generated by Polyus declined by 0.8%, from \$5,021 million in 2020 to \$4,983 million in 2021.

##### GRI 201-1

#### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED BY POLYUS<sup>1</sup>, \$ MILLION

| Item                                   | Stakeholder                       | 2021           | 2020           | 2019           |
|--|-----------------------------------|----------------|----------------|----------------|
| <b>Direct economic value generated</b> |                                   | <b>4,983</b>   | <b>5,021</b>   | <b>4,054</b>   |
| Revenue from gold sales                | <b>Wide range of stakeholders</b> | <b>4,904</b>   | 4,956          | 3,965          |
| Revenue from other sales               |                                   | <b>62</b>      | 42             | 40             |
| Revenue from financial investments     |                                   | <b>14</b>      | 22             | 48             |
| Revenue from sales of assets           |                                   | <b>3</b>       | 1              | 1              |
| <b>Economic value distributed</b>      |                                   |                | <b>(3,395)</b> | <b>(2,956)</b> |
| Operating expenses                     | <b>Suppliers and contractors</b>  | <b>(649)</b>   | (526)          | (619)          |
| Wages and other payments to employees  | <b>Employees</b>                  | <b>(598)</b>   | (617)          | (525)          |
| Payments to providers of capital       | <b>Shareholders and creditors</b> | <b>(1,432)</b> | (1,104)        | (940)          |
| <i>Payments to shareholders</i>        |                                   | <b>(1,246)</b> | (871)          | (641)          |
| <i>Payments to creditors</i>           |                                   | <b>(186)</b>   | (233)          | (299)          |
| Payments to the state                  | <b>Government</b>                 | <b>(665)</b>   | (674)          | (572)          |
| <i>Including income tax expense</i>    |                                   | <b>(402)</b>   | (417)          | (360)          |
| Community investments                  | <b>Local communities</b>          | <b>(51)</b>    | (35)           | (43)           |
| <b>Economic value retained</b>         |                                   | <b>1,588</b>   | <b>2,065</b>   | <b>1,355</b>   |



<sup>1</sup> 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, see Note 11 to the consolidated financial statements for the year ended 31 December 2021.

<sup>2</sup> Data on the number of employees represented by the end of the year.

## Contributing to regional socio-economic development (continue)

### Working with suppliers

GRI 102-9 · GRI 102-10 · GRI 204-1

In 2021, Polyus developed, adopted and published on the website [the Supplier Code of Conduct](#). The provisions of the Code apply to all suppliers and contractors of the Company, their subsidiaries and subcontractors. Polyus also expects its counterparties to follow the principles of the Code in their relations with all their own partners.

The principles of the Supplier Code of Conduct are grouped into six aspects of sustainable development:

- environmental responsibility;
- labor conditions and human rights;
- health and safety;
- business ethics, compliance, and information protection;
- procurement policy for the Company's suppliers;
- social responsibility.

Since 2H 2021 Polyus has been asking suppliers to complete a questionnaire on human rights issues, counting on their legitimate activities. Those suppliers who are technically unable to fill out the questionnaire are unable to participate in tenders.

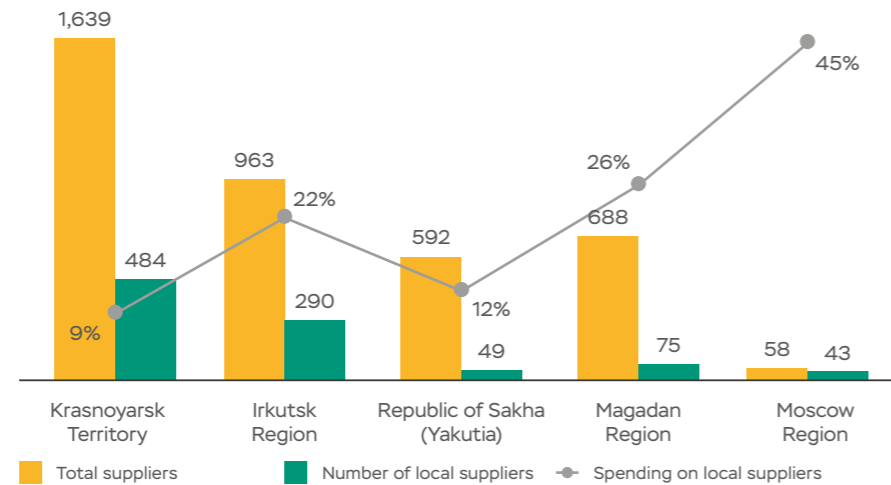
Besides the adoption of the Code, Polyus updated a number of internal documents on supply issues which are available in [the Documents section](#) of the website, where all the necessary documentation for suppliers can be found. The majority of Company documents updated in 2021 are explanatory and clarifying regulations, for example, rules for the unpacking of hazardous goods.

Polyus has a developed supply chain management system which includes the Procurement Unit, a specific transportation company – Polyus Logistics, the group for Document Management and Working with Contractors to Provide Correct Primary Documentation, the Document Management Department in the Shared Service Center, functional divisions of business units for interaction with suppliers, and a specific COVID-19 work group.

The Company's Procurement Unit and Polyus Logistics interact in such a way that the unit monitors the activities of the organization and provides methodology and trainings to its employees. Polyus Logistics, in turn, manages transport issues, being certified for compliance with the International Cyanide Management Code. The logistical company considers the need for process development and increases in transport control.

### LOCAL PROCUREMENT, BY REGION

GRI 204-1



Each business process in Polyus manages its own key risks. The key supply chain risk for the Company is the violation of the deadlines for providing the third-party company with goods, works and services. This risk is managed using a specific risk passport and a number of risk-factors which are able to influence the risk. The Procurement Unit and other divisions have developed and implement relevant mitigation measures, including data gathering and risk-factors monitoring.

The results, accuracy and efficiency of Polyus' procurement procedures are analyzed quarterly by the operational control department as part of Internal Control and Audit Unit. All the Company's investment activities, including procurement-related investment, are subject to regular post-investment control by means of internal auditor checks and monitoring. The responsible departments confirm that Polyus' procurement processes are transparent and function as expected.

Following the ICMM principles and the Sustainable Development Goals is of great importance for the Company's supply chain management. In the reporting period all business units have completed self-assessment against the ICMM sustainable development principles, including purchases by the units. According to the internal education plan, Polyus' purchasing agents undergo training and receive internationally recognized certificates.

The Company entered the first Expert RA agency's non-credit rating of the best procurement management in the non-state companies. The agency chose the winners with help of the professional community. The head of the Polyus Procurement Unit, Vice President for Commerce and Logistics became the best purchasing director of a non-state company.

2021 was the first year that saw the fully fledged use by the Company of the automated purchase system. In the reporting period Polyus completed the lengthy process of ensuring that all business units were able to begin using the system. In addition, the Company implemented several chatbots for Polyus continued to publish purchases on the Company's website and to use the RTS-Tender platform to inform suppliers about procurement processes. Purchases themselves are carried out via the system, and their volume was maximized by the Company in the reporting period. The Shared Services Center also runs a separate support group for the platform, where employees can put questions to suppliers.

Concerning Polyus' supply chain itself, there were no significant changes in its structure and elements in the reporting period as the relevant Company business processes are designed to be stable enough to incorporate improvements related to the internal supply culture and analyses of the quality of supplied products across the supply chain as a whole.

Polyus' procurement procedures include a stage of prequalification which is carried out before a tender and covers compulsory requirements on health, safety and environmental (HSE) issues. A supplier is able to go through this stage only if they follow all the requirements which are published on the Company's website. In the reporting period Polyus added a list of suppliers, contractors and subcontractors who have prequalified for specific development strategies, technical audits or license requirements.

For the prequalification process, the Company has launched a pilot project in the Management Company and at Polyus Krasnoyarsk and for these business units developed Methodological Guidelines for Determining HSE Requirements and Verification of Participants in the Procurement Procedure. The document applies to all the business units' purchases of works and services, apart from a number of exceptions, and to all their employees, who must familiarize themselves with its content when employed.

The guidelines set out in detail the stages of potential supplier verification, starting with creating a purchase request and ending with filling in the Table of a Participant's Compliance with the HSE Criteria. At the initial stage, a contender assesses its internal HSE management system by filling out a questionnaire. The list contains 50 questions, which are divided into separate ESG-topics and 15 of which are critical and require documentary confirmation. Based on the results of this stage, the level of the potential supplier's compliance with certain groups of requirements and the Company's HSE standard as a whole is calculated.

Polyus regularly holds detailed training meetings for its suppliers, including specific training on sustainable development issues of local supplier requirements in the regions of presence. In 2021, all these meetings covered changes to the internal regulatory documentation, new and updated requirements, provisions of the Supplier Code of Conduct, and various other matters.

### DISTRIBUTION OF SUPPLIERS, BY REGION, %<sup>1</sup>

GRI 204-1



In 2021, Polyus continued active work to improve the way it interacts with counterparties in business units and the head office. All suppliers and contractors are able to direct any questions or disputes to the conflict commission. To help boost the level of transparency, the functional divisions of personnel groups (inventory management, procurement, Polyus Logistics, and the Shared Service Center) further enhanced their interactions with suppliers. The Shared Service Center division continues to handle documentation related to deliveries. The Company considers that the new functional units have been able to speed up the procurement process while maintaining the quality level of purchases. Besides this, it is possible to interact with suppliers and contractors more frequently, for example, to agree promptly on a discount and hold relevant silent auctions.

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 but impose equally high requirements on them. In 2021, 52.7% of Polyus' procurement was sourced from the regions where we operate.

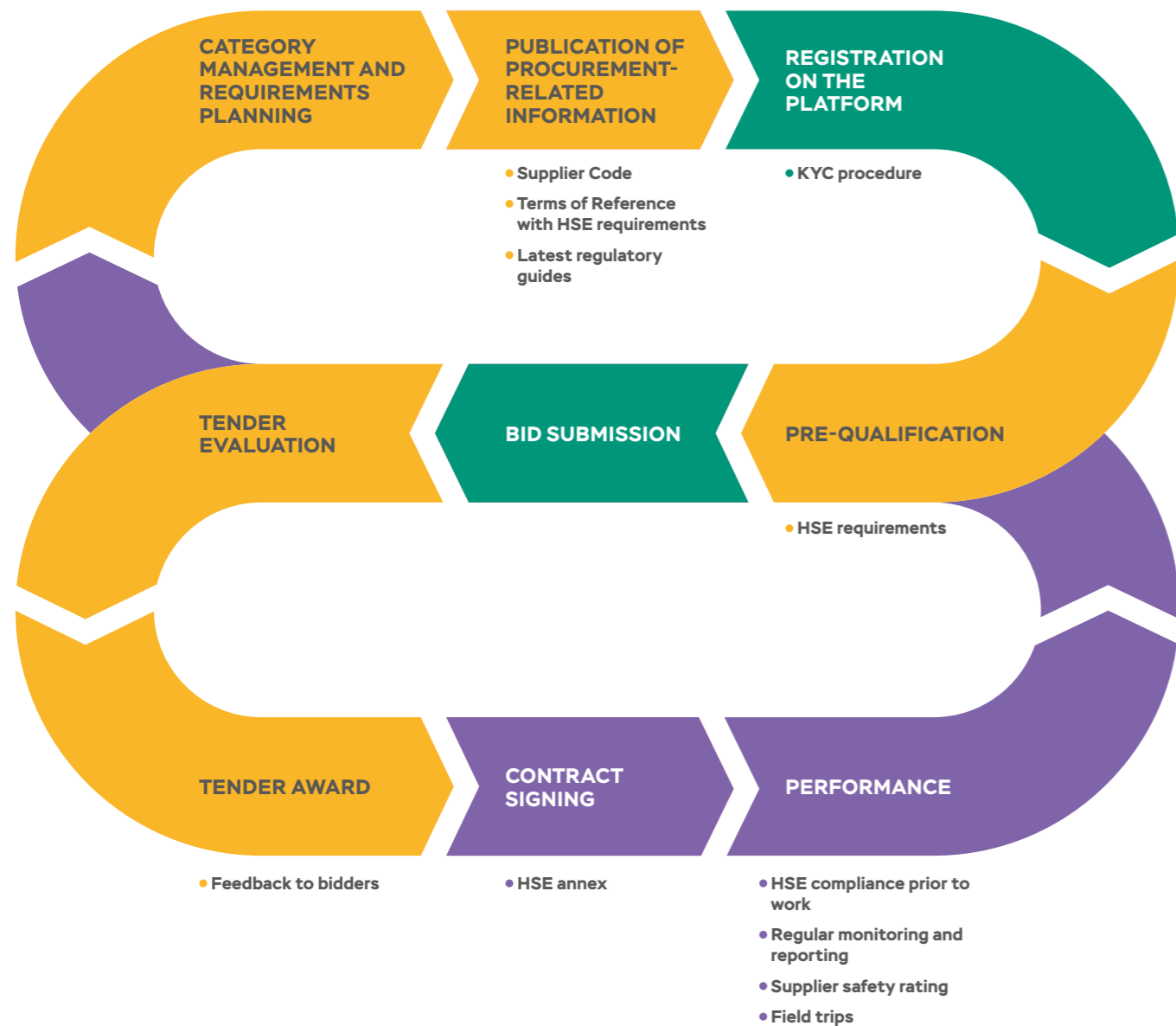
The COVID-19 pandemic had little influence on the Company's procurement process, even in the previous reporting period of 2020, which was comparable to the indicators of 2019. Polyus thoroughly controlled all the procurement procedure stages and managed to promptly organize the provision and transmission of personal protective equipment and other necessary goods for the local communities and the Company's business units.

<sup>1</sup> By volume.

## Local communities

### Contributing to regional socio-economic development (continue)

#### SUPPLIER'S JOURNEY



■ Polyus  
■ Supplier  
■ Polyus and Supplier

### Plans for 2022 and the medium term

Polyus has identified the following operational tasks for 2022 and the medium term:

- continuing to hold the Territory festivals in the cities of operation and the Polyus Golden Season Theater Contest;
- ongoing support for Ysyakh, the Yakut national holiday festival in the Republic of Sakha (Yakutia);
- creating new social projects and approaches for charity and sponsorship activities;
- providing healthcare-related support, including COVID-19 prevention measures;
- development of the system of interaction with suppliers and contractors, extension of access to internal documents and procedures, and automation of joint document flow to mitigate supply chain risks.



# ADDITIONAL INFORMATION

- 138 About this Sustainability Report
- 142 TCFD-Aligned Disclosure
- 144 GRI Content Index
- 156 Independent assurance statement
- 160 Contact information

# About this Sustainability Report

## Approach to reporting

### GRI 102-50

The Polyus 2021 Sustainability Report ("the Report") covers the key results of Polyus' sustainability performance from 1 January 2021 to 31 December 2021, as well as the Company's plans for 2022 and the medium term.

### GRI 102-51 · GRI 102-54

Polyus has been preparing annual Sustainability Reports since 2012. Its last report, published in 2021, covered the results for 2020. The Company's reports are available on the Polyus website: [www.polyus.com/investors/results-and-reports/](http://www.polyus.com/investors/results-and-reports/). Additional information about sustainability performance can be found here: [www.sustainability.polyus.com/en/](http://www.sustainability.polyus.com/en/). In 2021, the Sustainability Report was prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards"). As with previous versions, this Report was prepared in accordance with the Comprehensive option of these Standards. When preparing the Report, the Company continued to use, where applicable, the requirements of the GRI Mining and Metals Sector Supplement. During the preparation of the 2022 Report, we will take into account updates to GRI Standards that were made in 2021 and continue to adhere to best sustainability reporting practices.

In addition, the Report discloses: the relevance of Polyus' sustainability-related activities designed to advance the United Nations Sustainable Development Goals (UN SDGs); our compliance with the International Council on Mining and Metals (ICMM) sustainable development framework, including the 10 ICMM sustainability principles and eight position statements; our commitment to United Nations Global Compact Principles; and our approach to climate change issues according to Task Force on Climate-Related Financial Disclosures (TCFD).<sup>1</sup>

### GRI 102-32

Polyus' Director for Sustainability coordinates the Report preparation process, with the Sustainability Working Group playing an active role. Traditionally the Board of Directors reviews the Report and is responsible for its final approval. Date of preparation of the report – 17.05.2022.

## Report boundaries

The sustainability information contained in this Report covers the activities of Polyus' operational business units and support services.

Information about the Company's labor performance also covers PJSC Polyus (the "Holding Company") and Polyus MC LLC (the "Management Company"). Data on the Shared Service Center was included only when calculating indicators of labor performance and industrial safety. Charity and sponsorship data is 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 be consistent with 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.

### GRI 102-45

#### ASSETS INCLUDED IN THE REPORT BOUNDARIES

| Name of company  | Referenced in the Report as |
|--|-----------------------------|
| <b>Business units</b>  |                             |
| Polyus Krasnoyarsk JSC (Krasnoyarsk BU)  | Olimpiada and Blagodatnoye  |
| Polyus Verninskoye JSC (Irkutsk ore BU)  | Verninskoye                 |
| Polyus Aldan JSC (Yakutia BU)  | Kuranakh                    |
| Polyus Magadan JSC (Magadan BU)  | Natalka                     |
| Gold Mining Company Lenzolino JSC (Irkutsk alluvial BU)  | Alluvials                   |
| Polyus Sukhoi Log LLC  | Sukhoi Log                  |
| <b>Support services</b>  |                             |
| Polyus Logistics JSC   | Logistics service           |
| Polyus Stroi LLC   | Construction service        |
| Polyus Project LLC   | Engineering service         |
| PSF Polyus Schit LLC   | Security service            |
| Polyus Energy, comprising Vitimenergo JSC, Vitimenergosbyt JSC, and Mamakanskaya Hydroelectric Power Plant JSC | Energy service              |
| Shared Service Center LLC  | Shared Service Center       |

## Identification of material topics

### GRI 102-44 · GRI 102-46

When preparing the Sustainability Report we annually assess the materiality of 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. In assessing whether a topic is material, two main criteria are used: the significance of the economic, environmental or social impact, and the influence on stakeholder assessments and decisions.

A total of 23 material topics were identified and approved based on the 2021 materiality assessment. We created a materiality matrix following GRI guidelines. We conducted a survey among external and internal stakeholders to define key topics which the Report should contain and rate their priority. Stakeholders were invited to choose the topics which are most relevant for them in the context of Polyus' operations, namely the areas in which the Company makes significant economic, environmental and social impacts. 75 stakeholder responses were received, including the Company's employees and customers, the business community and other groups.

#### 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

<sup>1</sup> See Appendix 2, TCFD-aligned disclosure.

Additional Information

# About this Sustainability Report

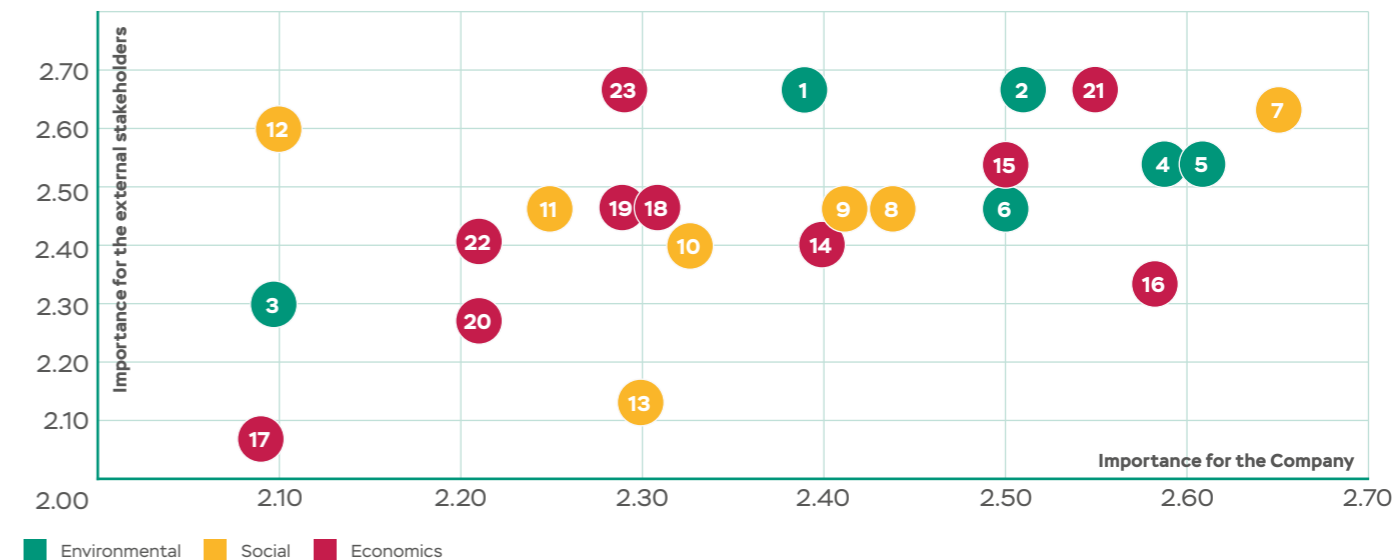
**GRI 102-47**

**MATERIAL TOPICS COVERED IN THE REPORT AND THEIR SIGNIFICANCE AND SUBSTANTIVE INFLUENCE ON THE ASSESSMENTS AND DECISIONS OF STAKEHOLDERS**

|    | Material Topic                                    | GRI Topic   | Report page    | Within the Group | Outside the Group |
|----|---|---|----------------|------------------|-------------------|
| 1  | Carbon and energy management                      | <b>GRI 302:</b> Energy<br><b>GRI 305:</b> Emissions   | 108            | ✓                | -                 |
| 2  | Air emissions                                     | <b>GRI 305:</b> Emissions   | 93             | ✓                | ✓                 |
| 3  | Impact on water resources <sup>1</sup>            | <b>GRI 303:</b> Water and effluents   | 90             | ✓                | ✓                 |
| 4  | Waste   | <b>GRI 306:</b> Waste   | 94             | -                | ✓                 |
| 5  | Responsible tailings management                   | <b>GRI 306:</b> Waste   | 94             | ✓                | ✓                 |
| 6  | Biodiversity                                      | <b>GRI 304:</b> Biodiversity  | 98             | ✓                | ✓                 |
| 7  | Occupational health and safety                    | <b>GRI 403:</b> Occupational health and safety  | 74             | ✓                | -                 |
| 8  | Emergency preparedness                            | <b>GRI G4-DMA:</b> Emergency preparedness   | 96             | ✓                | ✓                 |
| 9  | Employment  | <b>GRI 202:</b> Market presence<br><b>GRI 401:</b> Employment<br><b>GRI 407:</b> Freedom of association and collective bargaining | 57             | ✓                | ✓                 |
| 10 | Education and training                            | <b>GRI 404:</b> Training and education  | 60             | ✓                | ✓                 |
| 11 | Human rights                                      | <b>GRI 406:</b> Non-discrimination<br><b>GRI 102-16:</b> Values, principles, standards, and norms of behavior                     | 40             | ✓                | ✓                 |
| 12 | Local communities                                 | <b>GRI 413:</b> Local communities   | 155            | ✓                | ✓                 |
| 13 | Preventing the spread of COVID-19                 |   | 70, 83, 121    | ✓                | ✓                 |
| 14 | Operational efficiency and innovation development |   | 38, 59, 89     | -                | ✓                 |
| 15 | Economic performance                              | <b>GRI 201:</b> Economic performance  | 131            | ✓                | ✓                 |
| 16 | Effective use of resources                        | <b>GRI 302:</b> Energy  | 108            | ✓                | ✓                 |
| 17 | Supply chain                                      | <b>GRI 102-9:</b> Supply chain<br><b>GRI 102-10:</b> Significant changes to the organisation and its supply chain                 | 132            | ✓                | ✓                 |
| 18 | Anti-corruption                                   | <b>GRI 205:</b> Anti-corruption practices   | 40             | ✓                | ✓                 |
| 19 | Business ethics                                   | <b>GRI 102-16 – 102-39</b>  | 43, 44, 49, 67 | ✓                | ✓                 |
| 20 | Tax policy  | <b>GRI 207:</b> Tax   | 130            | ✓                | ✓                 |
| 21 | Risk management                                   |   | 23             | ✓                | ✓                 |
| 22 | Planning of closure                               | <b>GRI MM10:</b> Closure planning   | 98             | ✓                | ✓                 |
| 23 | Compliance with legal requirements                | <b>GRI 307:</b> Environmental compliance<br><b>GRI 419:</b> Socioeconomic compliance  | 88, 155        | ✓                | ✓                 |

<sup>1</sup> Due to the release of the Water Report in 2021, the topic of impact on water resources has become more important for stakeholders in comparison to other topics. For a more visual representation of the Materiality Matrix, the weight of the topic was amended to 0.8, 1.6 and 2.4 in accordance with the low-medium-high scale.

**MATERIALITY MATRIX**



**Data preparation techniques**

**GRI 102-46**

The sustainability performance information for the Report was collected using 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 Management 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 2021.

The Company calculates direct greenhouse gas emission indicators based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the "GHG Protocol") recommendations, as well as the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories. When calculating indirect greenhouse gas emissions, we use Carbon Footprint grid electricity emission factors, based on International Energy Agency (IEA) factors for heat energy. The ICMM Environment and Climate Change work program stipulates respective requirements for 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 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 2021, no significant changes were made to the list of material topics and their boundaries, except for those listed below.

In 2021, Polyus disclosed for the first time other indirect GHG emissions (Scope 3), as well as information on the main development aspects of the Company's Climate Strategy.

In the reporting period, we altered the approach to calculation of the turnover rate, see p. 56.

**Assurance**

**GRI 102-56**

AO Deloitte & Touche CIS has provided the required independent assurance of the selected data presented in the 2021 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.

In 2021, the Report was subject to a limited assurance engagement under the International Standard on Assurance Engagements: ISAE 3000 (Revised). More detailed information on the boundaries and subject of the assurance can be found in the Independent assurance statement and GRI content index sections.

The Company requested the RSP to arrange the public verification of the Report, with the Council on Non-Financial Reporting providing an opinion on the materiality and completeness of the Report's information.

Additional Information

# TCFD<sup>1</sup> -aligned disclosure

GRI 102-51 · GRI 201-2

| Recommendations  | Current practice  | Report section                   | Alignment with other frameworks |   |
|--|---|----------------------------------|---------------------------------|---|
|  |   |                                  | GRI                             | CDP   |
| <b>Governance</b><br><i>Company's governance around climate-related risks and opportunities</i>  | With its Climate Position Statement, the Company is increasingly focusing on climate-related issues at the highest corporate level  | Sustainability risk management   | 102-18<br>102-19                | C1  |
|  | In reporting period, 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 determines the Company's strategic vision and key focus areas relating to sustainability. The COO oversees and directs work on climate-related issues (energy, environment) within the operational agenda at Group level. | Sustainability governance        | 102-20<br>102-26<br>102-27      | (Data is available on the <a href="#">website</a> ) |
|  | In the reporting period, as part of the Company's overall Health, Safety, Environment, and Sustainability agenda, the Operations Committee of the Board of Directors managed climate change issues. The Board of Directors is primarily responsible for sustainable development and climate change issues – it determines the strategy and main directions of activity in these areas. Climate change related issues such as energy, environmental protection under the supervision of the COO.                             | Energy and climate change        | 102-29<br>102-31                |   |
|  | The Company has a permanent working group on Climate change adaptation, led by the Sustainability Director, whose responsibility is to set goals and objectives in the field of decarbonization and present them to committees. Governing Council chaired by COO.   | Annual Review                    | 102-32                          |   |
| <b>Strategy</b><br><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> | In the next reporting period Polyus, to support its recently published position on climate change, plans to outline its first-ever Climate Strategy to consolidate all efforts to combat climate change.  | Contribution to SDGs             | 102-15<br>201-2                 | C3 (partially)                                      |
|  | Climate change mitigation: cutting Scope 1 and 2 emissions by boosting energy efficiency and increasing the share of low-carbon energy in the energy mix (due to a decline in the share of coal and a rise in the share of renewable energy).   | Climate change and GHG emissions |                                 |   |
|  | 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.   | Annual Review                    |                                 |   |
|  | 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 geographical boundaries to enhance global climate action.  |                                  |                                 |   |
|  | The strategy will include a detailed risk-management system, which will allow risks associated with climate change to be identified, assessed, and mitigated.   |                                  |                                 |   |
|  | In 2021, the Company continued with comprehensive climate-related risk assessments at other business units. The deep analysis of climate change scenarios and risks will be presented in our Climate Strategy planned to be published in H1, 2022. The strategy will also include targets and the main directions for their implementation  |                                  |                                 |   |
|  | In the reporting year Polyus signed an open letter joining ICMM members in a collective commitment to reach net zero Scope 1 and Scope 2 GHG emissions by 2050 or sooner. This commitment complements our low-carbon approach.  |                                  |                                 |   |

| Recommendations  | Current practice   | Report section                   | Alignment with other frameworks           |                             |
|--|--|----------------------------------|---|-----------------------------|
|  |  |                                  | GRI                                       | CDP                         |
| <b>Risk management</b><br><i>How the Company identifies, assesses, and manages climate-related risks</i>   | Currently, the substantive impact of environmental, social, and economic risks on Polyus' business is addressed within the corporate risk assessment system and risk map.  | Climate change and GHG emissions | 102-15<br>201-2                           | C2                          |
|  | In 2020, Polyus analyzed the potential effects of climate change on the Company's operations for the first time. 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 1.5-, 2-, and 4.5-degree Celsius temperature increases at the end of the century (RCPs 2.6, 4.5, and 8.5 respectively. We are still expanding the TCFD analysis in our reporting. | Annual Review                    |   |                             |
|  | In 2021, we continued to assess physical risks for the rest of the Group's upstream business units. The preparation of a register of transient climate risks has also begun.   |                                  |   |                             |
|  | 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. related to regulation and carbon pricing, the cost of transitioning to new technologies). A further assessment will be presented in our Climate Strategy.   |                                  |   |                             |
| <b>Metrics and targets</b><br><i>Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i> | The Company has been disclosing information on Scope 1 and 2 greenhouse gas (GHG) emissions for over five years (since 2015).  | Environmental stewardship        | 102-30<br>201-2<br>302-1                  | C4, C5, C6, C7, C8, C9, C10 |
|  | We keep our methodology for calculating GHG emissions up to date to make sure that it meets the industry benchmark.  | Water management and action      | 302-3<br>303-3<br>303-4                   |                             |
|  | Polyus verifies (via ISAE 3000 (Revised) the following aspects of its reporting on an annual basis: total specific air emissions and total energy consumed, produced, and purchased.   | Energy and climate change        | 303-5<br>305-1<br>305-2<br>305-3<br>305-4 |                             |
|  | In 2021, the Company elaborated a methodology for calculating Scope 3 GHG emissions and disclosure Scope 3 emissions calculation for the first time.   |                                  |   |                             |

\* 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 respective data. Data can only be disclosed for the previous reporting year. 2021 evaluation results have already been presented.

<sup>1</sup> Task Force on Climate-related Financial Disclosures: [www.fsb-tcf.org/](http://www.fsb-tcf.org/).



Additional Information

# GRI content index

**GRI 102-55**

| GRI Indicator                                | Disclosure   | Page number (or link)   | Comment  | Omissions |
|--|--|---|--|-----------|
| <b>GRI 101 FOUNDATION (2016)<sup>1</sup></b> |  |   |  |           |
| <b>GRI 102 GENERAL DISCLOSURES (2016)</b>    |  |   |  |           |
| <b>1. ORGANIZATIONAL PROFILE</b>             |  |   |  |           |
| <b>GRI 102-1</b>                             | Name of the organization                                     | <b>Annual Review, p. 1</b>  |  |           |
| <b>GRI 102-2</b>                             | Activities, brands, products, and services                   | <b>Annual Review, p. 10</b>   |  |           |
| <b>GRI 102-3</b>                             | Location of headquarters                                     |   | The Company is headquartered in Moscow, Russia   |           |
| <b>GRI 102-4</b>                             | Location of operations                                       | <b>Where we operate, p. 10</b>  |  |           |
| <b>GRI 102-5</b>                             | Ownership and legal form                                     | <b>Annual Review, p. 56</b>   |  |           |
| <b>GRI 102-6</b>                             | Markets served   | <b>Where we operate, p. 10</b>  |  |           |
| <b>GRI 102-7</b>                             | Scale of the organization                                    | <b>Annual Review, p. 21</b>   |  |           |
| <b>GRI 102-8</b>                             | Information on employees and other workers                   | <b>Workforce composition and engagement, p. 56</b>  | <p>Employees by type of employment contract:</p> <p>Permanent – 88.8% (including 88.9% of men and 88.2% of women)</p> <p>Temporary – 11.2% (including 11.1% of men and 11.8% of women)</p> <p>Employees of production units by type of employment contract by regions:</p> <p>Krasnoyarsk Territory – 95.8% permanent, 4.2% temporary.</p> <p>Irkutsk Region – 94.2% permanent, 5.8% temporary.</p> <p>Republic of Sakha – 86.0% permanent, 14.0% temporary.</p> <p>Magadan Region – 97.6% permanent, 2.4% temporary.</p> <p>Employees by employment type:</p> <p>Full-time – 99.6% (including 99.8% of men and 98.6% of women)</p> <p>Part-time – 0.4% (including 0.2% of men and 1.4% of women)</p> <p>All main Company activities are performed by employed workers. The proportion of workers that are not employees is insignificant.</p> |           |
| <b>GRI 102-9</b>                             | Supply chain   | <b>Annual Review, p. 10</b><br><b>Local communities, p.132</b>  |  |           |
| <b>GRI 102-10</b>                            | Significant changes to the organization and its supply chain |   | In the reporting period no significant changes were made to the supply chain.  |           |
| <b>GRI 102-11</b>                            | Precautionary principle or approach                          |   | In the reporting period the Company did not apply the precautionary approach to identify, monitor, and manage risks.   |           |
| <b>GRI 102-12</b>                            | External initiatives   | <b>Contributing to UN Sustainable Development Goals, p. 29</b><br><b>ICMM membership, p. 32</b><br><b>Commitment to UN Global Compact Principles p. 28</b><br><b>Commitment to external initiatives, p. 33</b><br><b>Ethics and human rights, p. 40</b> | The initiatives described in the cited sections are all voluntary.   |           |

<sup>1</sup> See Appendix 1. About this Sustainability Report.

| GRI Indicator                  | Disclosure  | Page number (or link)   | Comment   | Omissions |
|--------------------------------|---|---|---|-----------|
| <b>GRI 102-13</b>              | Membership of associations  | <b>ICMM membership, p. 32</b><br><b>Contributing to UN Sustainable Development Goals, p. 29</b><br><b>Commitment to external initiatives, p. 33</b>                     |   |           |
| <b>2. STRATEGY</b>             |   |   |   |           |
| <b>GRI 102-14</b>              | Statement from senior decision-maker  | <b>Message from the CEO, p. 6</b>   |   |           |
| <b>GRI 102-15</b>              | Key impacts, risks, and opportunities   | <b>Message from the CEO, p. 6</b><br><b>Sustainability risk management, p. 23</b><br><b>Annual Review, p. 13</b><br><b>Appendix 2. TCFD -aligned disclosure, p. 142</b> |   |           |
| <b>3. ETHICS AND INTEGRITY</b> |   |   |   |           |
| <b>GRI 102-16</b>              | Values, principles, standards, and norms of behavior                          | <b>Our values, p. 10</b><br><b>Commitment to UN Global Compact Principles, p. 28</b><br><b>Human Rights Policy, p. 46</b><br><b>Anti-corruption compliance, p. 43</b>   |   |           |
| <b>GRI 102-17</b>              | Mechanisms for advice and concerns about ethics                               | <b>Transparency and disclosure, p. 49</b>   |   |           |
| <b>4. GOVERNANCE</b>           |   |   |   |           |
| <b>GRI 102-18</b>              | Governance structure  | <b>Sustainability governance, p. 26</b><br><b>Diversity and inclusion, p. 67</b>  |   |           |
| <b>GRI 102-19</b>              | Delegating authority  | <b>Sustainability governance, p. 26</b>   |   |           |
| <b>GRI 102-20</b>              | Executive-level responsibility for economic, environmental, and social topics | <b>Sustainability governance, p. 26</b>   |   |           |
| <b>GRI 102-21</b>              | Consulting stakeholders on economic, environmental, and social topics         | <b>Stakeholder engagement, p. 33</b>  | The Company'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. |           |
| <b>GRI 102-22</b>              | Composition of the highest governance body and its committees                 | <b>Annual Review, p. 56</b>   |   |           |
| <b>GRI 102-23</b>              | Chair of the highest governance body  | <b>Annual Review, p. 57</b>   |   |           |
| <b>GRI 102-24</b>              | Nominating and selecting the highest governance body                          | <b>Annual Review, p. 57</b>   |   |           |
| <b>GRI 102-25</b>              | Conflicts of interest   | <b>Anti-corruption compliance, p. 44</b>  |   |           |
| <b>GRI 102-26</b>              | Role of highest governance body in setting goals, values, and strategy        | <b>Sustainability governance, p. 26</b>   |   |           |
| <b>GRI 102-27</b>              | Collective knowledge of highest governance body                               | <b>Sustainability governance, p. 26</b>   |   |           |

Additional Information

# GRI content index (continue)

| GRI Indicator                    | Disclosure   | Page number (or link)  | Comment   | Omissions |
|----------------------------------|--|--|---|-----------|
| GRI 102-28                       | Evaluating the highest governance body's performance                 | Annual Review, p. 57   |   |           |
| GRI 102-29                       | Identifying and managing economic, environmental, and social impacts | Sustainability governance, p. 26<br>Sustainability risk management, p. 23<br>Stakeholder engagement, p. 33 |   |           |
| GRI 102-30                       | Effectiveness of risk management processes                           | Annual Review, p. 13, 57   |   |           |
| GRI 102-31                       | Review of economic, environmental, and social topics                 | Sustainability governance, p. 26   |   |           |
| GRI 102-32                       | Highest governance body's role in sustainability reporting           | Sustainability governance, p. 26   | The Sustainability Report is traditionally approved by the Board of Directors.  |           |
| GRI 102-33                       | Communicating critical concerns                                      | Annual Review, p. 56   |   |           |
| GRI 102-34                       | Nature and total number of critical concerns                         |  | Sustainability issues are communicated to the Board on a planned quarterly basis. In 2021, no critical sustainability concerns were raised.   |           |
| GRI 102-35                       | Remuneration policies  | Annual Review, p. 57   |   |           |
| GRI 102-36                       | Process for determining remuneration                                 | Annual Review, p. 61   | The remuneration of the Board of Directors is determined in accordance with the Directors' Remuneration Policy. The Annual General Meeting of Shareholders approves it.   |           |
| GRI 102-37                       | Stakeholders' involvement in remuneration                            | Annual Review, p. 61   | No other interested parties are involved in determining remuneration levels.  |           |
| GRI 102-38                       | Annual total compensation ratio                                      | Annual Review, p. 61   | Information cannot be disclosed for confidentiality reasons.  |           |
| GRI 102-39                       | Percentage rise in annual total compensation ratio                   | Annual Review, p. 61   |   |           |
| <b>5. Stakeholder engagement</b> |  |  |   |           |
| GRI 102-40                       | List of stakeholder groups   | Stakeholder engagement, p. 34  |   |           |
| GRI 102-41                       | Collective bargaining agreements                                     |  | In 2021, 91.58% of employees were covered by collective bargaining agreements.  |           |
| GRI 102-42                       | Identifying and selecting stakeholders                               | Stakeholder engagement, p. 34  |   |           |
| GRI 102-43                       | Approach to stakeholder engagement                                   | Stakeholder engagement, p. 34  | In 2021, the Company held public hearings on the following topics:<br><br>Construction of the Mill-5 to expose the ore of the Blagodatnoye deposit with a capacity of 8.3 million t/year.<br><br>Decommissioning of the ash and slag dump of TPS-1 of the Olimpiada mine<br>Reconstruction of the tailing facility of Mill-4 of the Blagodatnoye deposit (first stage of expansion).<br><br>Construction of Mill-5 with a capacity of 8.3 million m <sup>3</sup> t/year for processing the ore from the Blagodatnoye deposit; Yuzhny pit.<br><br>Construction of Mill-5 with a capacity of 8.3 million m <sup>3</sup> t/year for processing the ore from the Blagodatnoye deposit; ore processing and transportation. |           |

| GRI Indicator                             | Disclosure   | Page number (or link)   | Comment   | Omissions |
|---|--|---|---|-----------|
| GRI 102-44                                | Key topics and concerns raised                           | Stakeholder engagement, p. 34<br>About this Report, p. 139  |   |           |
| <b>6. Reporting practice</b>              |  |   |   |           |
| GRI 102-45                                | Entities included in consolidated financial statements   | About this Report, p. 138   | Information is disclosed on page 38 of 2021 Consolidated Financial Statements: <a href="http://www.polyus.com/ru/investors/disclosure/ifrs-financials/">www.polyus.com/ru/investors/disclosure/ifrs-financials/</a><br><br>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 the Shared Service Center. |           |
| GRI 102-46                                | Defining report content and topic boundaries             | About this Report, p. 139   |   |           |
| GRI 102-47                                | List of material topics                                  | About this Report, p. 140   |   |           |
| GRI 102-48                                | Restatements of information                              | About this Report, p. 141   | The Report contains updates of the data for previous years, which is indicated in the text.   |           |
| GRI 102-49                                | Changes in reporting                                     | About this Report, p. 141   |   |           |
| GRI 102-50                                | Reporting period   | About this Report, p. 138   |   |           |
| GRI 102-51                                | Date of most recent report                               | About this Report, p. 138   |   |           |
| GRI 102-52                                | Reporting cycle  |   | The Report for 2021 was published in July, 2022.  |           |
| GRI 102-53                                | Contact point for questions concerning the report        | Contact information, p. 160   |   |           |
| GRI 102-54                                | Claims of reporting in accordance with the GRI Standards | About this Report, p. 138   |   |           |
| GRI 102-55                                | GRI content index  | GRI content index, p. 144   |   |           |
| GRI 102-56                                | External assurance                                       | About this Report, p. 141<br>Independent assurance report, p. 156<br>Certificate of public verification, p. 157 |   |           |
| <b>GRI 103 MANAGEMENT APPROACH (2016)</b> |  |   |   |           |
| GRI 103-1                                 | Explanation of the material topic and its boundary       | About this Report, p. 138   | Information on material topics mainly covers the Company's own activities and impacts, as information on impacts arising within the Company's 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                    |   | The evaluation of management approaches is carried out through certification and supervisory audits of respective management systems, as well as corporate audits.<br><br>Information about these events is contained in the text of the Report.  |           |

Additional Information

# GRI content index (continue)

| GRI Indicator                                   | Disclosure  | Page number (or link)                                   | Comment  | Omissions |
|---|---|---|--|-----------|
| <b>GRI MATERIAL TOPICS</b>                      |   |   |  |           |
| <b>GRI 200 ECONOMIC STANDARDS SERIES</b>        |   |   |  |           |
| <b>GRI 201 ECONOMIC PERFORMANCE (2016)</b>      |   |   |  |           |
| <b>GRI 201-1</b>                                | Direct economic value generated and distributed                                       | <b>Creating economic value for stakeholders, p. 131</b> |  |           |
| <b>GRI 201-2</b>                                | Financial implications and other risks and opportunities due to climate change        | <b>Appendix 2. TCFD -aligned disclosure, p. 142</b>     | The main physical risks are air temperature changes, dangerous meteorological events, changes in atmospheric precipitation, global sea level rises, and melting permafrost.<br><br>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 |           |
| <b>GRI 201-3</b>                                | Determined benefit plan obligations and other retirement plans                        |   | The Company fully complies with respective Russian legislation by paying pension fund contributions. No corporate pension programs have been introduced.   |           |
| <b>GRI 201-4</b>                                | Financial assistance received from government   |   | No financial assistance was received from the government during the reporting period.  |           |
| <b>GRI 202 MARKET PRESENCE (2016)</b>           |   |   |  |           |
| <b>GRI 202-1</b>                                | Ratios of standard entry-level wage, by gender, compared to local minimum wage levels | <b>Motivation, p. 68</b>                                | The Company does not tolerate any form of discrimination. Hence all employees, regardless of their gender or other diversity factors, receive equal wages for work of the same scope, volume, and quality.   |           |
| <b>GRI 202-2</b>                                | Proportion of senior management hired locally   | <b>Talent attraction, p. 60</b>                         | Senior managers are the CEO and his deputies in functional areas of activity (they work on a full-time basis).<br><br>Employees from among the local population are employees who are permanently registered in the subject of the business unit.<br><br>For the definition significant locations of operation see GRI 102-4.  |           |
| <b>GRI 203 INDIRECT ECONOMIC IMPACTS (2016)</b> |   |   |  |           |
| <b>GRI 203-1</b>                                | Infrastructure investments and services supported                                     | <b>Local communities, p. 112</b>                        | All Company sites strive to enhance the positive impacts, and minimize any negative impacts, that their activities have on local communities. No significant cases of negative impacts on local communities arose in the reporting period.   |           |
| <b>GRI 203-2</b>                                | Significant indirect economic impacts   | <b>Local communities, p. 112</b>                        |  |           |
| <b>GRI 204 PROCUREMENT PRACTICES (2016)</b>     |   |   |  |           |
| <b>GRI 204-1</b>                                | Share of spending on local suppliers  | <b>Local communities, p. 132</b>                        | Local suppliers means suppliers in the same region of Russia as the territory of the business unit's operation.  |           |
| <b>GRI 205 ANTI-CORRUPTION (2016)</b>           |   |   |  |           |
| <b>GRI 205-1</b>                                | Operations assessed for corruption-related risks                                      | <b>Anti-corruption compliance, p. 44</b>                | In 2021, the Company did not conduct any risk assessments related to corruption.   |           |

| GRI Indicator                                 | Disclosure   | Page number (or link)   | Comment   | Omissions |
|---|--|---|---|-----------|
| <b>GRI 205-2</b>                              | Communication and training about anti-corruption policies and procedures | <b>Ethics and human rights, p. 40</b>                           | Share of employees made aware of the Group's corruption prevention policies and practices - 100% at all regions of operation. All business partners of the Company are aware of Polyus' anti-corruption policies and practices.<br><br>In 2021, the Company did not train Board members in anti-corruption practices.   |           |
| <b>GRI 205-3</b>                              | Confirmed incidents of corruption and actions taken                      | <b>Ethics and human rights, p. 40</b>                           |   |           |
| <b>GRI 207 TAX (2019)</b>                     |  |   |   |           |
| <b>GRI 207-1</b>                              | Approach to tax  | <b>Annual Review, p. 35</b><br><b>Local communities, p. 130</b> | Updates and significant changes are introduced in the Polyus' tax strategy as needed, but at least XX times every XX years.   |           |
| <b>GRI 207-2</b>                              | Tax governance, controls, and risk management                            | <b>Local communities, p. 130</b>                                |   |           |
| <b>GRI 207-3</b>                              | Stakeholder engagement and management of tax-related concerns            | <b>Local communities, p. 130</b>                                |   |           |
| <b>GRI 207-4</b>                              | Country-by-country reporting   | <b>Local communities, p. 130</b>                                |   |           |
| <b>GRI 300 ENVIRONMENTAL STANDARDS SERIES</b> |  |   |   |           |
| <b>GRI 302 ENERGY (2016)</b>                  |  |   |   |           |
| <b>GRI 302-1</b>                              | Energy consumption within the organization                               | <b>Energy management, p. 108</b>                                | Total fuel consumption within the organization from non-renewable sources in 2021 stood at 15,3 thousand TJ.<br><br>The Company consumes neither energy for cooling nor steam in its business activities.<br><br>The Company doesn't sell energy for cooling and steam.<br><br>Total heating sold: 367 TJ<br><br>Total electricity sold: 9,128 TJ.<br><br>Conversion factors used:<br>1 cal = 4,184 J<br>1 kWh = 3,600 kJ |           |
| <b>GRI 302-2</b>                              | Energy consumption outside of the organization                           |   | These data is not aggregated within the current reporting system.   |           |
| <b>GRI 302-3</b>                              | Energy intensity   |   | Energy intensity ratio: 0,32 TJ/kt ore processed.<br><br>The ratio denominator is one thousand tons of ore processed.<br><br>Data on primary energy sources (coal, diesel, oil, gasoline and others) consumed within the organization was used.   |           |

Additional Information

# GRI content index (continue)

| GRI Indicator                             | Disclosure  | Page number (or link)   | Comment  | Omissions  |
|---|---|---|--|--|
| <b>GRI 302-4</b>                          | Reduction of energy consumption   | <b>Energy management, p. 108</b>  | The types of energy included in the reductions are electricity and heating.<br>The total amount of energy saved is 196,145 kWh.<br>The reduction is calculated compared to the previous reporting year.<br>The data are recorded in accordance with Russian legislation and the Company's internal approach. |  |
| <b>GRI 302-5</b>                          | Reductions in energy requirements of products and services  |   |  | Not applicable due to the nature of the product. |
| <b>GRI 303 WATER AND EFFLUENTS (2018)</b> |   |   |  |  |
| <b>GRI 303-1</b>                          | Interactions with water as a shared resource  | <b>Water management and access, p. 90</b>   | The Company does not currently engage with suppliers or customers on minimizing their significant water-related impacts.   |  |
| <b>GRI 303-2</b>                          | Management of water discharge-related impacts   | <b>Water management and access, p. 90</b>   |  |  |
| <b>GRI 303-3</b>                          | Water withdrawal  | <b>Water management and access, p. 90</b>   | Polyus does not operate or withdraw water in regions where water is scarce.  |  |
| <b>GRI 303-4</b>                          | Water discharge   | <b>Water management and access, p. 92</b>   | Polyus does not operate or withdraw water in regions where water is scarce.<br>Freshwater discharge – 17,041 thousand m <sup>3</sup> .<br>Other water – 0 thousand m <sup>3</sup> .  |  |
| <b>GRI 303-5</b>                          | Water consumption   | <b>Water management and access, p. 90</b>   | Polyus does not operate or withdraw water in regions where water is scarce. Change in water storage has not been identified as having a significant water-related impact.  |  |
| <b>GRI 304 BIODIVERSITY (2016)</b>        |   |   |  |  |
| <b>GRI 304-1</b>                          | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <b>Biodiversity management, p. 98</b>   | Polyus does not have operational sites owned, leased, or managed in, or adjacent to, protected areas and or areas of high biodiversity value outside protected areas.  |  |
| <b>GRI 304-2</b>                          | Significant impacts of activities, products, and services on biodiversity   | <b>Biodiversity management, p. 98</b>   |  |  |
| <b>GRI 304-3</b>                          | Habitats protected or restored  | <b>Biodiversity management, p. 98</b><br><b>Reforestation, p. 100</b><br><b>Sustainability blog</b> |  |  |
| <b>GRI 304-4</b>                          | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | <b>Biodiversity management, p. 98</b>   |  |  |

| GRI Indicator                                  | Disclosure   | Page number (or link)                           | Comment   | Omissions |
|--|--|---|---|-----------|
| <b>GRI 305 EMISSIONS (2016)</b>                |  |   |   |           |
| <b>GRI 305-1</b>                               | Direct (Scope 1) GHG emissions   | <b>Climate change and GHG emissions, p. 105</b> | Biogenic CO <sub>2</sub> emissions are not generated at the Company's facilities.   |           |
| <b>GRI 305-2</b>                               | Energy indirect (Scope 2) GHG emissions  | <b>Climate change and GHG emissions, p. 105</b> | No base year has yet been set in the GHG emissions calculation.   |           |
| <b>GRI 305-3</b>                               | Other indirect (Scope 3) GHG emissions   | <b>Climate change and GHG emissions, p. 105</b> |   |           |
| <b>GRI 305-4</b>                               | GHG emissions intensity  | <b>Climate change and GHG emissions, p. 105</b> |   |           |
| <b>GRI 305-5</b>                               | Reduction of GHG emissions   | <b>Climate change and GHG emissions, p. 105</b> | Gases included in the calculation: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O.  |           |
| <b>GRI 305-6</b>                               | Emissions of ozone-depleting substances (ODS)                                      |   | No significant emissions of ozone-depleting substances were identified in the reporting period.   |           |
| <b>GRI 305-7</b>                               | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions    | <b>Air emissions, p. 93</b>                     | The Company does not measure emissions of persistent organic pollutants (POPs).<br>The source of emission factors was used in accordance with Russian environmental legislation, including reporting standards/ methodologies.  |           |
| <b>GRI 306 WASTE (2020)</b>                    |  |   |   |           |
| <b>GRI 306-1</b>                               | Waste generation and significant waste-related impacts                             | <b>Waste management, p. 94</b>                  | The waste impacts described in the Report relate to waste generated in the organization's own activities.<br>Polyus understands that the Company's waste products can be harmful to the environment. A major share of generated waste comprises overburden, which has no significant impact on the environment. Hazardous waste is transferred to special hazardous waste management organizations. |           |
| <b>GRI 306-2</b>                               | Management of significant waste-related impacts                                    | <b>Waste management, p. 94</b>                  | The Company is not involved in the transportation, import, export, or treatment of waste deemed hazardous under the terms of the Basel Convention (Annexes I, II, III, and VIII).   |           |
| <b>GRI 306-3</b>                               | Waste generated  | <b>Waste management, p. 94</b>                  |   |           |
| <b>GRI 306-4</b>                               | Waste diverted from disposal   | <b>Waste management, p. 95</b>                  |   |           |
| <b>GRI 306-5</b>                               | Waste directed to disposal   | <b>Waste management, p. 95</b>                  |   |           |
| <b>G4-MM3</b>                                  | Total volumes of overburden, rock, tailings, and sludge and their associated risks | <b>Dams and tailings facilities, p. 96</b>      |   |           |
| <b>GRI 307 ENVIRONMENTAL COMPLIANCE (2016)</b> |  |   |   |           |
| <b>GRI 307-1</b>                               | Non-compliance with environmental laws and regulations                             | <b>Management approach, p. 68</b>               |   |           |

Additional Information

# GRI content index (continue)

| GRI Indicator                          | Disclosure  | Page number (or link)   | Comment   | Omissions |
|--|---|---|---|-----------|
| <b>GRI 400 SOCIAL STANDARDS SERIES</b> |   |   |   |           |
| <b>GRI 401 EMPLOYMENT (2016)</b>       |   |   |   |           |
| <b>GRI 401-1</b>                       | New employee hires and employee turnover  | <b>Workforce composition and engagement, p. 56</b><br><b>Talent attraction, p. 60</b><br><b>Talent development, p. 61</b> | <p>The Company's turnover rate was 21.86%.</p> <p>Turnover rate of business units:<br/>Olimpiada and Blagodatnoye – 18.23%<br/>Verninskoye – 19.53%<br/>Kuranakh – 15.71%<br/>Natalka – 10.62%<br/>Alluvials – 38.69%</p> <p><b>For more information see p. 56.</b></p> <p>Turnover rate by age group:<br/>under-30 years – 30.5%<br/>from 30 to 40 years – 26.95%<br/>from 40 to 50 years – 18.45%<br/>50 years and older – 21.31%</p> <p>Turnover rate by gender:<br/>women – 16.44%<br/>men – 23.1%</p> <p>The Company's new hires rate was 33.08%.</p> <p>New hires by age group:<br/>under-30 years – 29.08%<br/>from 30 to 40 years – 36.80%<br/>from 40 to 50 years – 24.29%<br/>50 years and older – 9.83%</p> <p>New hires by gender:<br/>women – 15.31%<br/>men – 84.69%</p>  |           |
| <b>GRI 401-2</b>                       | Benefits provided to full-time employees that are not provided to temporary/part-time employees |   | The Company provides the same benefits to all employees, except for additional medical insurance, which is not provided to part-time employees.   |           |
| <b>GRI 401-3</b>                       | Parental leave  |   | <p>The Company complies with respective legal requirements. All employees entitled by law to take child-care/parental leave are free to do so without any detriment to their employment status.</p> <p>Total number of employees that were entitled to parental leave: 21,678 (including 3,442 women, 18,234 men)</p> <p>Total number of employees that took parental leave: 210 (including 174 women, 136 men)</p> <p>Total number of employees that returned to work in the reporting period after parental leave ended: 110 (including 95 women, 15 men)</p> <p>Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work: 94 (including 79 women, 15 men)</p> <p>Return to work rate: 70%</p> <p>Men return to work rate: 65%</p> <p>Women return to work rate: 71%</p> <p>The retention rate was not calculated because the data was not collected in 2020. It will be calculated for 2022.</p> |           |

| GRI Indicator  | Disclosure  | Page number (or link)   | Comment   | Omissions |
|--|---|---|---|-----------|
| <b>GRI 403 OCCUPATIONAL HEALTH AND SAFETY (2018)</b> |   |   |   |           |
| <b>GRI 403-1</b>                                     | Occupational health and safety management systems   | <b>Management approach, p. 74</b>   |   |           |
| <b>GRI 403-2</b>                                     | Hazard identification, risk assessment, and incident investigation  | <b>Management approach, p. 75</b><br><b>Injury prevention, p. 77</b><br><b>Driving safety p. 80</b> |   |           |
| <b>GRI 403-3</b>                                     | Occupational health services  | <b>Health protection, p. 83</b>   |   |           |
| <b>GRI 403-4</b>                                     | Worker participation, consultation, and communications on occupational health and safety                      | <b>Improving safety culture, p. 77</b><br><b>Injury prevention, p. 77</b>                           |   |           |
| <b>GRI 403-5</b>                                     | Worker training on occupational health and safety   | <b>Corporate training, p. 80</b>  |   |           |
| <b>GRI 403-6</b>                                     | Promotion of worker health  | <b>Health protection, p. 83</b>   |   |           |
| <b>GRI 403-7</b>                                     | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <b>Health protection, p. 83</b>   |   |           |
| <b>GRI 403-8</b>                                     | Workers covered by an occupational health and safety management system  | <b>Management approach, p. 74</b>   | 100% of Polyus employees are covered by our health and safety management system. Employees of all business units and support services are also covered by an externally audited and certified integrated HSE management system.   |           |
| <b>GRI 403-9</b>                                     | Work-related injuries   | <b>Injury prevention, p. 77</b><br><b>Contractor management, p. 82</b>                              | <p>The total number of hours worked by all employees in 2021 was 46,923,071.</p> <p>The number of hours worked by contractors in 2021 was 22,636,434.</p> <p>Information on injuries disclosed includes all employees of the Company (mining and service units) and all contractors working at the Company's sites.</p> |           |
| <b>GRI 403-10</b>                                    | Work-related ill health   | <b>Health protection, p. 83</b>   | <p>Types of employee occupational diseases; bilateral chronic sensorineural hearing loss and vibration disease associated with exposure to local and general vibration.</p> <p>Data on contractors is not recorded.</p>   |           |
| <b>GRI 404 TRAINING AND EDUCATION (2016)</b>         |   |   |   |           |
| <b>GRI 404-1</b>                                     | Average hours of training per year per employee   | <b>Talent development, p. 61</b>  | The Company adopts the same approach to training processes for both genders.  |           |
| <b>GRI 404-2</b>                                     | Programs to upgrade employee skills and transition assistance programs  | <b>Talent development, p. 61</b>  | Polyus has no transition assistance programs to facilitate continued employability or for when a person leaves the Company due to retirement or the termination of their employment.  |           |
| <b>GRI 404-3</b>                                     | Percentage of employees receiving regular performance and career development reviews                          |   | All employees undergo performance reviews based on a system of individualized KPIs which takes into account their functional and individual roles.  |           |

## Additional Information

## GRI content index (continue)

| GRI Indicator   | Disclosure   | Page number (or link) | Comment   | Omissions |
|---|--|-----------------------|---|-----------|
| <b>GRI 405 DIVERSITY AND EQUAL OPPORTUNITY (2016)</b> |  |                       |   |           |
| <b>GRI 405-1</b>                                      | Diversity of governance bodies and employees           |                       | <p>The Board by gender:<br/>Male – 89% (8 out of 9 members)<br/>Female – 1% (1 out of 9 members).</p> <p>The Board by age:<br/>21-30 – 11.1%<br/>31-40 – 11.1%<br/>41-50 – 33.3%<br/>50 and above – 44.4 %</p> <p>Managers by gender:<br/>Male – 86.1%<br/>Female – 13.9%</p> <p>Managers by age:<br/>under 30 – 4.9%<br/>30-50 – 77.0%<br/>over 50 – 18.1%</p> <p>Specialists by gender:<br/>Male – 62.6%<br/>Female – 37.4%</p> <p>Specialists by age:<br/>under 30 – 19.2%<br/>30-50 – 68.5%<br/>Over 50: 12.3%</p> <p>Non-manual workers by gender:<br/>Male – 83.0%<br/>Female – 17.0%</p> <p>Non-manual workers by age:<br/>under 30 – 22.6%<br/>30-50 – 60.1%<br/>Over 50 – 17.3%</p> <p>Manual workers by gender:<br/>Male – 94.3%<br/>Female – 5.7%</p> <p>Manual workers by age:<br/>under 30 – 12.2%<br/>30-50 – 60.9%<br/>Over 50 – 26.9%</p> |           |
| <b>GRI 405-2</b>                                      | Ratio of basic salary and remuneration of women to men |                       | The remuneration policies at Polyus make no distinction between men and women.  |           |

| GRI Indicator  | Disclosure   | Page number (or link)                      | Comment  | Omissions |
|--|--|--|--|-----------|
| <b>GRI 406 NON-DISCRIMINATION (2016)</b>                               |  |  |  |           |
| <b>406-1</b>   | Incidents of discrimination and corrective actions taken   | <b>Ethics and human rights, p. 40</b>      |  |           |
| <b>GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (2016)</b> |  |  |  |           |
| <b>407-1</b>   | 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 countries where we work. Under our collective bargaining agreements and Human Rights Policy, freedom of association and collective bargaining are guaranteed.                |           |
| <b>GRI 413 LOCAL COMMUNITIES (2016)</b>                                |  |  |  |           |
| <b>GRI 413-1</b>   | Operations regarding local community engagement, impact assessments, and development programs                  |  | All new sites/assets under development underwent an environmental impact assessment.<br><br>Community development programs at all sites are implemented as part of the Company's charity and sponsorship activities. |           |
| <b>GRI 413-2</b>   | Operations having significant actual and potential negative impacts on local communities                       |  | Despite our not performing assessments of potential negative impacts, all Company sites endeavor to enhance the positive impacts and minimize the negative impacts their activities may have on local communities.   |           |
| <b>GRI 415 PUBLIC POLICY (2016)</b>                                    |  |  |  |           |
| <b>GRI 415-1</b>   | Political contributions  | <b>Transparency and disclosure, p. 49</b>  |  |           |
| <b>GRI 419 SOCIOECONOMIC COMPLIANCE (2016)</b>                         |  |  |  |           |
| <b>GRI 419-1</b>   | Non-compliance with laws and regulations in the social and economic area                                       |  | In the reporting period the Company received no significant fines or sanctions for non-compliance with laws and regulations on social matters.   |           |
| <b>GRI SECTOR-SPECIFIC ASPECT: EMERGENCY PREPAREDNESS</b>              |  |  |  |           |
| <b>G4-DMA</b>  | Additional guidance  | <b>Dams and tailings facilities, p. 96</b> |  |           |
| <b>GRI SECTOR-SPECIFIC ASPECT: CLOSURE PLANNING</b>                    |  |  |  |           |
| <b>MM10</b>  | Number and percentage of operations with closure plans   | <b>Land conservation, p. 96</b>            |  |           |

## Additional Information

# Independent assurance report

GRI 102-56

## Independent limited assurance report to PJSC Polyus those charged with governance on the 2021 Sustainability Report for the year ended 31 December 2021

### Scope of limited assurance engagement

We have performed an engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 ('the Standard') to provide limited assurance on PJSC Polyus 2021 Sustainability Report ('the Report') compliance with Global Reporting Initiative Sustainability reporting standards ('GRI Standards'), accuracy of selected non-financial performance data, as presented in section "Selected non-financial performance data for examination" and assertions related to PJSC Polyus's application of the International Council on Mining and Metals (ICMM) Sustainability Development Framework.

### Limited assurance procedures and roles

#### Our key limited assurance procedures

Our responsibility is to issue a report on the subject matter discussed above based on our limited assurance engagement. We conducted our engagement in accordance with the Standard.

Our assurance procedures in this engagement were limited primarily to:

- Obtaining and understanding overall governance and internal control environment, relevant to identification and reporting of sustainability information and selective performance indicators, as well as ICMM sustainability principles and position statements included in the Report;
- Performing inquiries of management responsible for sustainability policies and reporting relevant to subject matter of our report;
- Obtaining, on selective basis information supporting accuracy of non-financial data, as presented in section "Selected non-financial performance data for examination";
- Reading the Report to assess the appropriateness of presentation of information included therein in accordance with GRI Standards;
- Obtaining, on selective basis, information, corroborating appropriateness of reporting adherence to ICMM ten sustainability principles and eight position statements included in Sustainability Development Framework.

Thus our assurance procedures provide less assurance and are substantially less in scope than a reasonable assurance engagement.

# Deloitte.

### 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 with GRI Standards and ICMM Sustainability Development Framework 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 engagement provides limited assurance as defined in the Standard. 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

Those charged with governance are responsible for the preparation, accuracy and completeness of the sustainability information and statements contained within the Report, prepared in accordance with GRI Standards. 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 application of the International Council on Mining and Metals Sustainability Development Framework and GRI Standards.

Our responsibility is to express a conclusion on the subject matter of the limited assurance engagement, as described above, based on our procedures.

### Independence and quality control

We have complied with the independence and other ethical requirements of Auditor's Independence Rules and the Auditor's Professional Ethics Code, that are relevant to our engagement in the Russian Federation together with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control (ISQC) 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.

AO Deloitte & Touche CIS  
5 Lesnaya Street  
Moscow, 125047,  
Russia

Tel: +7 (495) 787 06 00  
Fax: +7 (495) 787 06 01  
deloitte.ru

## Additional Information

# Independent assurance report (continue)

## Selected non-financial performance data for examination

Our examination of non-financial performance indicators described above was limited, in accordance with the scope defined by those charged with governance of PJSC Polyus, to the following indicators included in the Report:

|  |  |
|--|--|
| <b>Composition of governance bodies and breakdown of employees per employee category</b> | <ul style="list-style-type: none"> <li>Number of employees by assets, region, category, gender and age group</li> <li>Percentage of employees by assets, region, category, gender and age group (%)</li> </ul>   |
| <b>Employee turnover</b>   | <ul style="list-style-type: none"> <li>Total number of new employee hired</li> <li>Employee turnover (%)</li> </ul>  |
| <b>Career development</b>  | <ul style="list-style-type: none"> <li>Number of employees trained</li> <li>Employees trained as percentage of average headcount (%)</li> </ul>  |
| <b>Fatalities and injuries of employees</b>  | <ul style="list-style-type: none"> <li>Total number of work-related fatalities</li> <li>Total lost time injury frequency rate (LTIFR) (per 200,000 hours worked)</li> <li>Lost time injury frequency rate (LTIFR), by business units (per 200,000 hours worked)</li> <li>Number of total registered injuries (TRI)</li> <li>Total registered injuries frequency rate (TRIFR) (per 200,000 hours worked)</li> </ul>   |
| <b>Energy/electricity use and climate change</b>   | <ul style="list-style-type: none"> <li>Purchase of primary energy resources (fossil fuel/its derivatives) (tonnes)</li> <li>Consumption of primary energy sources (fossil fuel/its derivatives) (tonnes)</li> <li>Amount of electricity produced and sold (million kWh)</li> <li>Amount of heating produced and sold (thousand Gcal)</li> <li>Amount of electricity purchased (thousand kWh)</li> <li>Amount of heating purchased (thousand Gcal)</li> </ul> |
| <b>Greenhouse gas (GHG) emissions</b>  | <ul style="list-style-type: none"> <li>Direct GHG emissions (Mt CO<sub>2</sub>-e)</li> <li>Indirect GHG emissions (Mt CO<sub>2</sub>-e)</li> </ul>   |
| <b>Significant air emissions</b>   | <ul style="list-style-type: none"> <li>Carbon oxide emissions (CO) (tonnes)</li> <li>Sulphur oxides emissions (SO<sub>2</sub>) (tonnes)</li> <li>Amount of Nitrogen oxides emissions including nitrogen dioxide (tonnes)</li> <li>Solid dust emissions (tonnes)</li> </ul>   |

|                                |   |
|--------------------------------|---|
| <b>Waste</b>                   | <ul style="list-style-type: none"> <li>Waste reused excluding overburden and tailings (thousand tonnes)</li> <li>Waste stored excluding overburden and tailings (thousand tonnes)</li> <li>Waste transferred and neutralised excluding overburden and tailings (thousand tonnes)</li> <li>Total amount of overburden waste (million tonnes)</li> <li>Total amount of tailings (million tonnes)</li> </ul> |
| <b>Water</b>                   | <ul style="list-style-type: none"> <li>Total water withdrawn for production needs (thousand m<sup>3</sup>)</li> <li>Structure of water intake, for production needs (thousand m<sup>3</sup>)</li> <li>Total volume of water discharged (thousand m<sup>3</sup>)</li> <li>Percentage of water recycled and reused (%)</li> </ul>   |
| <b>Regulatory compliance</b>   | <ul style="list-style-type: none"> <li>Total monetary value of environmental fines (USD thousands)</li> <li>Number of non-monetary sanctions for non-compliance with environmental laws and regulations</li> </ul>  |
| <b>Sponsorship and charity</b> | <ul style="list-style-type: none"> <li>Social support structure by regions and type (USD thousands)</li> </ul>  |

## 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 Report is not prepared in compliance with GRI Standards, selected non-financial performance data, and reporting of assertions related to PJSC Polyus's application of the ICMM Sustainability Development Framework are materially misstated.



  
 Natalya Kaprizina  
 Engagement partner

AO "Deloitte & Touche CIS"  
 (ORNZ #12006020384)

Moscow, 17 May 2022



## Additional Information

---

# Contact information

**GRI 102-53**

## PJSC Polyus

Address: Krasina St. 3 bldg. 1, Moscow, 123056, Russia

Phone: **+7 (495) 641 33 77**

Fax: **+7 (495) 785 45 90**

E-mail: [info@polyus.com](mailto:info@polyus.com)

Web site: [www.polyus.com](http://www.polyus.com)

## ESG issues

**Daria Grigoreva**, Director for Sustainability

E-mail: [GrigorevaDK@polyus.com](mailto:GrigorevaDK@polyus.com)

## Investor contact

**Victor Drozdov**, Director for Business Communications  
and Investor Relations

E-mail: [DrozdovVI@polyus.com](mailto:DrozdovVI@polyus.com)

## Media contact

**Victoria Vasilyeva**, Director for Public Relations

E-mail: [VasilevaVS@polyus.com](mailto:VasilevaVS@polyus.com)