

Employment and labour

Corporate standard

Employment and Labour Standard of Polymetal International plc Group of companies (“Polymetal”, “Group”, “Company”) is based on widely recognized principles and international laws and aims at strengthening and further developing of Polymetal's competitive advantages as a socially responsible employer and economically stable business partner.

All aspects of employment and labour relations:

- are mainly additional to the laws of those countries where the Group operates and to international standards;
- do not cancel supersede or substitute for collective agreements concluded in the Group's operations;
- are economically justified;
- can be reviewed from time to time, taking the Group companies financial capacity into account, as well as the findings of corporate sociological surveys that study if the personnel is satisfied with labour conditions, remuneration and additional guarantees and compensation provided by the companies of the Group.

Polymetal hereby declares that in addition to the applicable laws the following principles are guaranteed as the main social aspects of its work in area of labour and labour relations.

Employment relations

Polymetal guarantees that its labour relations with employees are fixed in employment contracts in compliance with the labour law and in the main national languages of the country where the Group operates. An employment contract defines working conditions, wage, working hours, types and duration of paid leaves, social benefits, guarantees and compensations as well as the procedure of changing the terms of the employment contract.

Polymetal offers its employees such working conditions (including working and resting time, wages, social security terms, guarantees and compensations) which are comparable with the conditions offered by other employers in the countries where the Group operates. If possible, Polymetal seeks to improve such conditions and social protection of its employees.

Forced and child labour

Polymetal refuses to use any form of forced labour. Polymetal does not confiscate any money or identity documents while employing in order to keep workers against their will.

Polymetal respects the rights of children, does not use child labour and does not employ underage which is in compliance with the laws of the countries where the company operates.

Discrimination and diversity

Polymetal rejects any form of discrimination and respects and encourages development of ideas, skills and talents of employees of various age, gender and representatives of other groups as well as creates equal opportunities for everyone, assessing employees' professional and managerial qualities

Polymetal seeks to create conditions for women's more proactive participation in the corporate activities and in leadership development in particular.

Freedom of associations and collective bargaining

Polymetal recognizes the right of employees to create and participate in organizations aimed at protecting and supporting their interests and does not affect the decisions they make. Polymetal also recognizes the right of employees to choose their representatives to represent their interests in the social partnership at a local level in accordance with the laws of the countries where the Company operates. We create all necessary conditions for employees' representatives by providing them with working spaces, meetings and conferences rooms for employees, information desks accessible for workers, communication tools as agreed by the parties.

Polymetal recognizes the importance of collective agreements as a preferred tool for determining contractual working conditions for employees, as well as for regulating relations between the management of the Group's operations and the employees' representatives.

Decent and favorable working conditions

In order to ensure decent and favorable working conditions Polymetal does not tolerate any types of insults, physical violence, verbal abuse, sexual harassment or psychological pressure, threats or intimidation at work.

When determining salary, Polymetal adheres to the principles of fair and equal pay for men and women for the work of equal value and complexity, which is based on an unbiased assessment of work and depends on the amount of the work performed.

Polymetal recognizes that vocational mentoring and training are important for the development of employees' skills by improving the forms of their involvement and participation.

Occupational health and safety

Polymetal is committed to providing healthy and safe workplace, promoting safety culture, raising awareness of risks and training a responsible attitude towards occupational safety and health among its employees.

Polymetal strives to protect the health of its employees by ensuring their safety when they operate buildings, structures, equipment when they carry out technological processes as well as ensuring the safety of the tools and materials used in production.

Promotion of the disabled people's employment

Polymetal supports the international and national policies of the countries of operations which promote employment of people with disabilities. Polymetal provides

employment to disabled people under annual quotas and creates special working conditions for employees injured while being employed in Polymetal.

Approach to HIV/AIDS

Polymetal recognizes that the HIV/AIDS can affect anyone and strives to provide healthy and safe environment for its employees.

Polymetal does not allow discrimination or violation of the rights of candidates and employees with HIV/AIDS in hiring, promotion, use of special equipment, dismissal, provision of guarantees and compensation, evaluation, professional training and in other cases when an employee is informed about his/her rights in the world of work.

Polymetal recognizes that employees with HIV/AIDS have a right to work as far as their health status permits, and ensures that while an employee with HIV/AIDS is able to fulfill his/her basic labour duties, the Group's management will treat his/her health problems with understanding, showing to him/her the same attitude as towards other employees.

Polymetal takes care of the employees' health and the psychological state in the team, assumes the responsibility to provide training necessary for understanding the ways of HIV transmission, preventing infection and eliminating unreasonable fears of workers.

Polymetal encourages workers to seek help from health care centers and HIV/AIDS consultancies, as well as from support groups, confidentially providing information on how to get assistance in public hospitals.

Confidentiality and protection of personal data

Polymetal respects confidentiality and the right to privacy of the employees and adheres to the principles of proper use of personal data.

Polymetal guarantees that employees' personal data are processed only with their consent in compliance with laws and uses it for the purpose of employment, education, training, productivity safety and security.

Polymetal provides security of the employees' personal data against misuse or loss in accordance with the requirements of the applicable laws and corporate standards.

Socially responsible reorganisation

When carrying out organizational changes which lead to mass dismissal, Polymetal follows best practice and international labour laws, as well as national laws of the countries of operation.

When cutting staff, Polymetal commits:

- to provide workers to be laid-off with the paid free time to find new job;
- to inform workers to be laid-off of retirement age that they may receive early retirement pension and to assist them in drawing up of the documents required for such pension;

When closing a mine, terminating or suspending, in whole or in part with potential staff cut-off or deterioration of working conditions, Polymetal acts in accordance with the legislation of the country of operation, and, in case of mass layoff, takes the following measures to mitigate potential negative impacts:

- to carry out the dismissal process step by step;
- to fill open vacancies with current employee and not hire external candidates;
- to train laid-off workers for positions of high demand in Polymetal, while providing equal payment for the training period;
- to employ laid-off workers in Polymetal including reinstatement of their professions, depending on qualification and the position. If it is impossible, to employ them in alternative position, depending on the employees willing and the Company's needs.

Fair remuneration

Polymetal remuneration policy is based on the following principles:

- universal pay strategy for all Group companies;
- transparency, objectivity and competitiveness of remuneration system;
- setting minimum wages for all vocational groups of employees exceeding the local minimum wage;
- regular wages increase on the basis of pricegrowth rates for basic goods and services;
- dependence of wages on qualifications, complexity of work performed, quantity and quality of labour expended.

Employee incentive system

Polymetal appreciates the achievements of every employees at work, motivates its personnel to continue to progress further, and understands that the recognition of their achievements, both individual and collective, is important for the employees.

- Polymetal has number of motivation tools.
- Annual award of operations within the Group for the best production and financial performance (gold, silver or bronze medals);
- "The best working team" is awarded with a certificate of merit from CEO;
- Professional contest "Best in Profession";
- Award and gratuity for significant personal contribution to the development and improvement of production processes, efficiency growth, application of new methods and advanced technologies, mentoring, loyalty and achievements
- Nomination for national and industrial awards for significant achievements and contributions to the development of the national economy, industry, science, technology, environmental safety and other outstanding merits for the society and country.
- Awards for dedication and commitment to work in Polymetal
- Sport awards

Employees of third companies who contributed to the development and improvement of Polymetal may also be awarded by the Company.

Personnel performance management

Employees is a key strategic resource that provides Polymetal with long-term competitive advantages.

Polymetal values people for competence and professionalism, knowledge and experience, talent and proactivity, leadership and strong determination, corporate cohesion and dynamism, decency and discipline. These are the qualities we want to develop among our employees.

Polymetal depends on labour effectiveness and provides employees with equal opportunities for development and promotion

- personnel development is an ongoing process with the purpose of continuous improvement of the Polymetal's labour potential;
- all assessment, training and development programs are part of Company's strategy;
- the 360 degree approach is used for personnel assessment and provides a comprehensive and unbiased estimation of professional and managerial qualities of employees, allowing to identify strengths and weaknesses and to implement targeted training and development programs;
- training programmes are developed to meet need of business, technologies and legislation;
- career development depends on the results of employee's evaluation, proactivity and training. There are programs that help employees to apply their potential such as "Best in profession" contest, Talent Pool Project and "Self-nomination".
- to maintain corporate and professional knowledge and to reduce the time for workers' adaptation at new position, we use a knowledge and mentoring system;
- training is based on corporate experience and world's best practice. We favor our in-house experts as trainers and use distance learning which helps to effectively combine work and education processes.
- assessment, training and development of employees are part of HR management system including planning, hiring, adaptation, motivation and working with target groups (students, young people, talent pool). We evaluate efficiency based on key indicators such as labour productivity, employee turnover, share of in-house promotions and other.

Social benefits for employees and their families members

Polymetal provides social benefits for its employees in the following forms:

- financial assistance in case of important family events (marriage, death, serious illness of an employee or a member of his/her family, significant material damage due to fire, theft, accident and other incidents);
- full compensation of travel (including personal belongings) and accommodation costs (corporate houses or rented), bi-annual vacations and a starter payment for a relocated employee and his/her family for or the whole period of work in Polymetal

- compensation of travel (including personal belongings) costs for shift workers;
- additional severance payment to retired employees;
- a right to rent and purchase a corporate house built by Polymetal for employees
- partial compensation for mortgage loan interest.
- financial assistance for kids of employees for the national holidays

Benefits for female employees and family people

Polymetal recognizes that family and work are fundamental parts of life for anyone and provides its employees with the following:

- social payments:
 - financial assistance for the birth (adoption) of a child;
 - monthly allowance on a child-care leave;
 - monthly compensation of the fees of the pre-school or primary education;
 - an annual partial compensation of children vacations destination.
- unpaid leave for family important events like marriage, children graduation
- part-time employment during a child-care leave
- provide resources required to adapt to work after a child-care leave

Polymetal seeks to constantly improve conditions for women to participate in the Group's activities in a wider and more proactive way:

- provide acceptable working conditions for women that eliminate the influence of harmful operational factors on women's health.
- provide women with paid period of time to check their health;
- provide women with an unscheduled paid leave before they go on maternity leave or straight after it;
- provide pregnant women with the working conditions advised to them by a doctor. If it is impossible, Polymetal allows women not to work until they go on a maternity leave and ensures that their wages are paid during this period.

Support to injured workers and their families

Polymetal is aware of the safety risks associated with hazardous production processes. In case of injury Polymetal provides employees and their family members with the following types of assistance:

- immediate medical assistance and special medical services in the medical centres of the countries of operations;
- cover of travel and accommodation costs of the family members in case of family members traveling to the hospital to support an injured employee;
- in case of a fatal accident, compensation of burial expenses, including the body transportation;
- compensation for moral and material damage to an injured worker or his/her family;

- additional compensation for moral and material damage to the family of injured employee, an amount is determined upon the results of an accident investigation.
- periodic financial assistance to the family of an injured employee to provide allowance, education and rehabilitation of an employee's child(ren).

Working and living conditions

Polymetal recognizes its responsibility for creating decent working and living conditions for workers and their families and:

- provides funding for creating such social and living conditions that enhance workplace culture, protect the health of its employees, prevent occupational diseases;
- implements corporate standards for medical care for its employees in the Groups's operations;
- records and analyses disease related incidents;
- monitors the employees' working and health conditions to assess health risks;
- takes preventive measures, including preventive vaccination and sanatorium treatment;
- monitors rights of pregnant women, nursing mothers and women of reproductive age working in the Group's operations in harmful and (or) dangerous working conditions.

Polymetal promotes healthy lifestyle and:

- allocates funds for sports centers, corporate sports competitions and family sports events;
- implements comprehensive programmes for health improvement and involves the employees and their families who live in unfavorable climate conditions in physical training and sports;
- performs sports and recreational activities and promotes team sports among employees, providing them with corporate competitions and tournaments;
- partially compensates the tickets and (or) travel costs to vacations trips for workers and their children;
- promotes healthy lifestyle among employees using corporate media.

Corporate culture

In order to build and enhance its corporate culture Polymetal builds relations with employees based on long-term cooperation, mutual respect and full compliance with the obligations as well as on the open dialogue on all social and labour relations issues among others.

Polymetal declares zero tolerance to drugs, conflict of interests, bribery and intimidation as well as to breach of moral standards and business ethics, labour and production discipline.

Employee relations and feedback mechanism

Polymetal understands the importance of open dialogue with employees and values feedback on labour relations issues. Polymetal:

- annually conducts corporate social survey - poll for employees to assess satisfaction of employees on working conditions, social benefits, remuneration, compensations and health and safety;
- seeks to optimize the processes of internal communication system;
- creates opportunities for employees to contact management
- considers employees opinions before making any decision to response a problem.

Charity and volunteering

Polymetal understands importance of charity supports charity programs among its employees and their families as well as including volunteering

Polymetal engages its employees in corporate environmental awareness and charity programs in order to promote social responsibility among employees.

Social responsibility in relations with contractors and suppliers

Polymetal takes responsibility for its own actions as well as its suppliers and contractors ones. There are many of our suppliers and contractors and we implement a special tracking, selection and monitoring system, with the following basic criteria for selecting contractors and suppliers:

- adherence to fundamental labour principles and rights (including minimum living wages and maximum working hours);
- effective health and safety system.

To confirm our commitment to socially responsible behavior in relation to labour practices, Polymetal will implement internal control over their implementation. Polymetal also affirms that it is open to any kind of external control in accordance with the applicable laws of the countries where it operates.