RESPONSIBLE AND SUSTAINABLE

Analyst and Investor Day
ESG presentation

27 April 2021
TABLE OF CONTENTS

01 Approach and 2020 highlights
   Tracey Kerr

02 Climate change
   Vitaly Nesis

03 Aligning ESG and remuneration
   Daria Goncharova

04 Appendices
01
APPROACH AND 2020 HIGHLIGHTS
## SUSTAINABILITY AS ONE OF STRATEGIC PRIORITIES

How we enable sustainable and responsible growth:

<table>
<thead>
<tr>
<th></th>
<th>Engaging with stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>We advocate for meaningful dialogue with employees, communities, authorities, business partners and capital providers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Setting clear goals and measuring performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>We have corporate management systems in place to monitor and continuously improve sustainability performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Aligning our impacts with UN SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>We have mapped strategic impact areas to relevant SDGs and targets and analysed how we contribute</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Applying the highest standards of governance and risk management</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Our management remuneration is linked to ESG KPIs, and sustainability risks are embedded in corporate Risk Management System</td>
</tr>
</tbody>
</table>
OUR TOP SUSTAINABILITY TOPICS: ENVIRONMENTAL
Reducing our environmental footprint

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Climate change</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increasing energy efficiency and using</td>
<td>Reduction of fresh water withdrawal</td>
</tr>
<tr>
<td></td>
<td>renewable energy</td>
<td>Safe water discharge</td>
</tr>
<tr>
<td></td>
<td>Approving a step-by-step path to carbon</td>
<td></td>
</tr>
<tr>
<td></td>
<td>neutrality</td>
<td></td>
</tr>
</tbody>
</table>

| Performance in 2020               | 4% decrease in GHG intensity compared to    | 36% y-o-y decrease in fresh water use     |
|                                   | 2019                                        | for processing per unit of production¹    |
|                                   | 3% decrease in energy intensity compared to | 89% of water reused/recycled              |
|                                   | 2019                                        | (2019: 87%)                                |
|                                   | Conducted scenario analysis and climate     |                                            |
|                                   | risk assessment                             |                                            |

**Relevant SDGs**

1. GHG EMISSIONS INTENSITY¹, t of CO2e per Kt of processed ore²
   - 2019: 79.8
   - 2020: 76.3

2. FRESH WATER INTENSITY², m³ per 1 Kt of ore processed
   - 2018: 299
   - 2019: 268
   - 2020: 171

Notes:
1) The new methodology has been applied since 2020 for more precise disclosure of emissions, data for 2019 has been restated accordingly for comparative purposes. Data for 2018 calculated using the old methodology is considered to be unrepresentative.
2) Excluding water for non-technological purposes.
OUR TOP SUSTAINABILITY TOPICS: ENVIRONMENTAL
Reducing our environmental footprint

<table>
<thead>
<tr>
<th>Waste and pollutants</th>
<th>Biodiversity and lands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priorities</strong></td>
<td><strong>Priorities</strong></td>
</tr>
<tr>
<td>Zero environmental accidents (e.g. via moving to dry stacking of tailings)</td>
<td>Plan ahead for mine closure</td>
</tr>
<tr>
<td>Increase the share of waste reused through backfilling</td>
<td>Evaluate our biodiversity footprint and develop biodiversity action plans for high-risk sites by 2023</td>
</tr>
</tbody>
</table>

**Performance in 2020**

- **17% of waste reused** (2019: 14%)
- **11% of tailings dry stacked** (2019: 10%)
- Commitment to comply with the Global Industry Standard on Tailings Management by 2023 in all operations

- **100% operations** with mine closure plans
- **1,560 seedlings** planted
- **Introduced a framework** to report on wildlife harm or mortality

**Relevant SDGs**

<table>
<thead>
<tr>
<th>SHARE OF WASTE REUSED OR RECYCLED</th>
<th>LANDS REHABILITATED, hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 16%</td>
<td>2018 232</td>
</tr>
<tr>
<td>2019 14%</td>
<td>2019 136</td>
</tr>
<tr>
<td>2020 17%</td>
<td>2020 1,404</td>
</tr>
</tbody>
</table>
### OUR TOP SUSTAINABILITY TOPICS: SOCIAL AND GOVERNANCE

A focused approach on material issues

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Health and safety</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ensure zero fatalities</td>
<td>Attract and retain best employees</td>
</tr>
<tr>
<td></td>
<td>Build zero harm culture</td>
<td>Improve equality and diversity</td>
</tr>
<tr>
<td></td>
<td>Year-on-year decrease in absent days following accidents</td>
<td>Support labour rights</td>
</tr>
</tbody>
</table>

#### Performance in 2020

<table>
<thead>
<tr>
<th>Performance in 2020</th>
<th>Health and safety</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero fatalities</td>
<td></td>
<td>6.5% employee turnover (2019: 5.8%)</td>
</tr>
<tr>
<td>0.12 LTIFR (2019: 0.19)</td>
<td></td>
<td>21% female employees (2019: 21%)</td>
</tr>
<tr>
<td>1,583 absent days following accidents (2019: 1,760)</td>
<td></td>
<td>83% employees under collective agreements</td>
</tr>
</tbody>
</table>

#### Relevant SDGs

- SDG 3: Good health and well-being
- SDG 5: Gender equality
- SDG 8: Decent work and economic growth
- SDG 4: Quality education

#### Headcount and Turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.8%</td>
<td>5.8%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2019</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>2020</td>
<td>21%</td>
<td>21%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
OUR TOP SUSTAINABILITY TOPICS: SOCIAL AND GOVERNANCE
A focused approach on material issues

<table>
<thead>
<tr>
<th>Communities</th>
<th>Supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priorities</strong></td>
<td><strong>Ensure zero community conflicts and positive engagement</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Maintain substantial long-term investments in our communities</strong></td>
</tr>
<tr>
<td><strong>Performance in 2020</strong></td>
<td><strong>Zero conflicts</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$17.9m social investments</strong> (2019: $15.1m), including $3.4m Covid-related support</td>
</tr>
<tr>
<td></td>
<td><strong>572 enquires</strong> received and resolved</td>
</tr>
</tbody>
</table>

**Relevant SDGs**

- **Healthcare**
- **Education**
- **Infrastructure**
- **Culture**
- **Charitable donations**
- **Indigenous communities**
ESG LEADERSHIP
External recognition and disclosure commitments

RECOGNITION OF OUR EFFORTS TO DATE

Dow Jones Sustainability Indexes

Member of **DJSI World and Russia** indices

**First and only** company with majority of assets in the CIS

PolyMetal

1st among 60 precious metals companies in ESG Rating

[20.3] ESG Risk Rating (Medium Risk)

ESG RISK RATING PEER COMPARISON

<table>
<thead>
<tr>
<th>Company</th>
<th>ESG Rating</th>
<th>Climate Change Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>PolyMetal</td>
<td>20</td>
<td>B-</td>
</tr>
<tr>
<td>Newmont</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Polymet</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Agnico</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Eagle</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Gold Fields</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Kinross</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Centerra</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Barrick</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Hochchild</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1) Based on Sustainalytics data. Lower number is better

EXTERNAL INITIATIVES

- UN Global Compact Signatory since 2009
- Disclosure under **GRI, SASB, TCFD**
- Signatory to **International Cyanide Management Code**
- Signatory to **Extractives Industry Transparency Initiative (EITI)** in Kazakhstan
02
CLIMATE CHANGE
SETTING AMBITIOUS TARGETS
Approach based on the Paris Agreement principles (<2 degrees)

GHG INTENSITY REDUCTION TRAJECTORY
Scope 1 + Scope 2 emissions, kg CO2e per oz GE

-30% reduction of GHG intensity by 2030 (baseline 2019)

Develop path to net-zero by the end of 2022

See our first Climate Change Report and the updated Climate Change Policy on our website
BENCHMARKING AGAINST PEER GROUP
Carbon footprint reduction targets of mining companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Metric</th>
<th>Target 2030</th>
<th>Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polymetal</td>
<td>Emissions intensity: scope 1+2</td>
<td>-30%</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>Absolute emissions: scope 1+2</td>
<td>-35%</td>
<td>2019</td>
</tr>
<tr>
<td>Glencore</td>
<td>Absolute emissions: scope 1+2+3</td>
<td>-40%</td>
<td>2019</td>
</tr>
<tr>
<td>Vale</td>
<td>Absolute emissions: scope 1+2</td>
<td>-33%</td>
<td>2017</td>
</tr>
<tr>
<td>Anglo American</td>
<td>Absolute emissions: scope 1+2</td>
<td>-30%</td>
<td>2016</td>
</tr>
<tr>
<td>Nornickel</td>
<td>Absolute emissions: scope 1+2</td>
<td>Unchanged</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>with 25-30% production growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newmont</td>
<td>Absolute emissions: scope 1+2</td>
<td>-30%</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>Emissions intensity: scope 1+2</td>
<td>-30%</td>
<td></td>
</tr>
<tr>
<td>Freeport-McMoran</td>
<td>Emissions intensity: scope 1+2</td>
<td>-15%</td>
<td>2018</td>
</tr>
<tr>
<td>Barrick</td>
<td>Absolute emissions: scope 1+2</td>
<td>-30%</td>
<td>2018</td>
</tr>
</tbody>
</table>
CURRENT STRUCTURE OF POLYMETAL’S CARBON FOOTPRINT
GHG emissions 2020

BREAKDOWN OF TOTAL EMISSIONS BY SOURCE

1.8 Mt of CO₂e

Scope 1 34%
Scope 2 31%
Scope 3 35%

BREAKDOWN OF SCOPE 1 + SCOPE 2 EMISSIONS BY SOURCE

1.2 Mt of CO₂e

In-house power generation 24%
Mobile Fleet 22%
On-site contractors 6%
Purchased energy 48%
CAPITAL EXPENDITURE ESTIMATE
Focus on projects that support low-carbon and climate change-resilient growth

**ESTIMATED CLIMATE-RELATED CAPEX 2021-2030**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-2025</th>
<th>2026-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Grid connection</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Fleet electrification</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Renewables</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>450</strong></td>
<td><strong>450</strong></td>
</tr>
</tbody>
</table>

**Incremental additional spending**

**Off-balance sheet**

**Included in the base case projections (stay-in business)**

$1,100m overall capex estimate for green project till 2030
GHG INTENSITY REDUCTION TARGET

Purchased energy: focus on grid decarbonisation and renewables

PURCHASED ENERGY GHG INTENSITY (SCOPE 2), kg of CO2e per oz of GE

-20% by 2030 compared to 2019
GHG INTENSITY REDUCTION TARGET

In-house energy generation: focus on link to grid and renewables

IN-HOUSE POWER GENERATION GHG INTENSITY (SCOPE 1), kg of CO2e per oz of GE

-74% by 2030 compared to 2019

2019

192

Links to the grid

-110

Efficiency improvements

-10

Renewable energy

-22

2030

50
GHG INTENSITY REDUCTION TARGET

Mobile fleet: focus on linking to grid and renewables

MOBILE FLEET GHG INTENSITY (SCOPE 1), kg of CO2e per oz of GE

-10% by 2030 compared to 2019
## Decarbonisation Opportunities

### Opportunities

- **Switch from in-house diesel/coal-based facilities**
  - Connecting sites to grid (Nezhda and Albazino)
  - Encouraging our electricity suppliers to decarbonise (Kyzyl, Mayskoye, Dukat, Varvara)
  - Mobile fleet electrification

- **In-house renewable energy**
  - In-house generation projects: solar and wind power plants in total capacity of >35 MW by 2025

- **Efficiency**
  - (AI, optimization, heat losses avoidance, resource efficiency, energy efficiency)
  - Fleet AI management at Kyzyl and Nezhda
  - Ventilation-on-demand
  - Plant AI

- **Ecosystems rehabilitation**
  - (reforestation, reclamation)
  - Planting 500 hectares of forest in 2021-2022

### Projects

- Connecting sites to grid (Nezhda and Albazino)
- Encouraging our electricity suppliers to decarbonise (Kyzyl, Mayskoye, Dukat, Varvara)
- Mobile fleet electrification

### Challenges

- Persistent carbon footprint of grid electricity
- Absence of reliable mobile electric fleet (particularly open-pit and cargo trucks)
- Technical and economic difficulties in de-carbonizing heating

- Limited availability and efficiency of renewables in the Northern territories

- Early stages of technology development and lack of infrastructure

- Slow absorption by carbon sinks (forests, soils)
- Increased reclamation costs
ELECTRICITY GRID IMPACT

Grid connection to hydro power plants will significantly decrease our carbon footprint

- According to our updated estimates, power lines projects at Nezhda and Albazino will result in a 10% reduction in Group Scope 1 + Scope 2 GHG emissions

EXPECTED GHG EMISSIONS REDUCTION IN THE FIRST YEAR AFTER GRID CONNECTION, Kt

- Diesel power
- Power line

Nezhda: 117.7 \(-65\%\) 41.2
Albazino: 117.5 \(-30\%) 82.9
PERMAFROST EXPOSURE AND ENERGY SOURCES

Paying specific attention to our facilities safety in permafrost regions of Russia
03
LINKING ESG TO REMUNERATION
SUSTAINABILITY REMUNERATION FACTORS IN 2020

Integrating sustainability through non-financial remuneration KPIs

- Non-financial targets impact 35% of total annual bonus for CEO and relate to safety, environment, personnel and social impact.

- Safety and sustainability KPIs are defined by the Remuneration Committee of the Board.

- Performance is assessed by the Safety and Sustainability Committee and recommended for approval by the Board.

- All the changes to remuneration policy cascade down to relevant employee groups.
## SUSTAINABILITY REMUNERATION FACTORS IN 2020

Non-financial targets impact 35% of total annual bonus

<table>
<thead>
<tr>
<th>Area</th>
<th>Weight</th>
<th>Target</th>
<th>2020 outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>25%</td>
<td>▼ &gt; 10% y-o-y decrease of DIS (days lost due to work-related injuries)</td>
<td>▼ 10% decrease of DIS compared to 2019</td>
</tr>
<tr>
<td>Environment</td>
<td>4%</td>
<td>▼ Developing a detailed programme for GHG reduction</td>
<td>▼ Programme has been 100% completed with a list of measures aimed at GHG reduction in 2020–2021 and further</td>
</tr>
<tr>
<td></td>
<td></td>
<td>▼ Reducing fresh water use for processing intensity by 4% compared to baseline 2018 year</td>
<td>▼ Fresh water use for processing intensity has been reduced by 43% compared to baseline 2018 year</td>
</tr>
<tr>
<td>Personnel</td>
<td>3%</td>
<td>▼ Implementing the diversity programme</td>
<td>▼ The diversity programme has been implemented at all Russian operations</td>
</tr>
<tr>
<td>Social partnership in host regions</td>
<td>3%</td>
<td>▼ Social projects categorisation and assessing the efficiency of social investments</td>
<td>▼ Methodology of social project effectiveness was implemented across all operations</td>
</tr>
</tbody>
</table>
SAFETY
Marked performance improvement with zero fatalities

\[ 
\begin{array}{cccccc}
\text{FATALITIES} & \quad & \quad & \quad & \quad & \\
\text{Employees} & \quad & \quad & \quad & \quad & \\
\text{Contractors} & \quad & \quad & \quad & \quad & \\
2016 & 4 & 3 & \quad & \quad & \\
2017 & 2 & 1 & \quad & \quad & \\
2018 & 1 & 0 & \quad & \quad & \\
2019 & 2 & 1 & \quad & \quad & \\
2020 & - & - & \quad & \quad & \\
\end{array} 
\]

\[ 
\begin{array}{cccccc}
\text{FATALITIES} & \quad & \quad & \quad & \quad & \\
\text{Employees} & \quad & \quad & \quad & \quad & \\
\text{Contractors} & \quad & \quad & \quad & \quad & \\
2016 & 4 & 3 & \quad & \quad & \\
2017 & 2 & 1 & \quad & \quad & \\
2018 & 1 & 0 & \quad & \quad & \\
2019 & 2 & 1 & \quad & \quad & \\
2020 & - & - & \quad & \quad & \\
\end{array} 
\]

\[ 
\begin{array}{cccccc}
\text{DIS (days lost due to work-related injuries)} & \quad & \quad & \quad & \quad & \\
\text{Employees} & \quad & \quad & \quad & \quad & \\
\text{Contractors} & \quad & \quad & \quad & \quad & \\
2019 & 1,760 & \quad & \quad & \quad & \\
2020 & 1,583 & \quad & \quad & \quad & \\
\end{array} 
\]

In 2020, there were zero fatalities and LTIFR for employees decreased by 38% y-o-y, with 11 out of 13 injuries classified as minor. The two severe injuries were related to falls from height and hits by cargo when loading vehicles.

Among contract workers, there were zero fatalities and 12 minor injuries (2019: 10), with vehicle collision being the most frequent cause.

Notes:
1) LTIFR per 200,000 hours worked. For Polymetal employees only.
WATER
Decreasing fresh water use

FRESH WATER USE

<table>
<thead>
<tr>
<th>Year</th>
<th>Fresh water withdrawal (thousand m3)</th>
<th>Fresh water intensity (m3 per 1 Kt of ore processed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>299</td>
<td>6.6</td>
</tr>
<tr>
<td>2019</td>
<td>268</td>
<td>4.9</td>
</tr>
<tr>
<td>2020</td>
<td>171</td>
<td>3.5</td>
</tr>
</tbody>
</table>

SHARE OF WATER RECYCLED AND REUSED, % of total water used

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>83%</td>
<td>83%</td>
<td>87%</td>
<td>89%</td>
</tr>
</tbody>
</table>

FRESH WATER USE INTENSITY BY MINES¹, m3 per 1 Kt of ore processed

<table>
<thead>
<tr>
<th>Mine</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kyzyl</td>
<td>241</td>
<td>236</td>
<td>215</td>
</tr>
<tr>
<td>Albazino</td>
<td>153</td>
<td>153</td>
<td>153</td>
</tr>
<tr>
<td>Varvara</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Dukat</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Svetloye</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Omolon</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mayskoye</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Voro</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Notes:
1) Includes only water used in technological processes
SECTOR-LEADING RETURN

TSR: 10Y

1,754%

Northern Star 169%
Evolution 130%
FTSE 250
Polymetal 113%
Agnico Eagle 69%
FTSE 100 52%
B2Gold 39%
Pan American 34%
Centamin 15%
Newmont 14%
Endeavour 10%
Gold ($/oz) -24%
Gold Fields -32%
FTSE GM -35%
Newcrest -44%
Centerra -45%
Fresnillo -47%
Kinross -49%
AngloGold -50%
Barrick -64%
Yamana -88%
Eldorado

Source: Company, Thomson Reuters and Bloomberg data. Accounts for dividends paid only.
CLIMATE RISK MANAGEMENT
Transitional risks

KEY IMPACTS

- Carbon tax payment
- Capital expenditure on adaptation and new technologies
- Fines for non-compliance with legislation or emission standards
- Increased operating costs
- Environmental insurance payment

HOW WE ADAPT

- **Short-term horizon:**
  - Monitoring of legal initiatives
  - Approval of 2030 carbon footprint reduction goals
  - Develop approach to 2050 goals

- **Medium-term horizon:**
  - Reduce GHG emissions
  - Approve 2020 carbon neutrality pathway

- **Long-term horizon:**
  - Carbon footprint reduction by 30%
  - Renewables up to 15% in the generated energy by 2030
  - Total exclusion of carbon technologies

Significance level:  
- High
- Medium
- Low
CLIMATE RISK MANAGEMENT
Physical risks

KEY IMPACTS

- TSF and buildings damage
- Transport infrastructure damage
- Power line breakages
- Lack of water resources
- Increased operating costs
- Disruption to logistics and shipping

Significance level: ▼ High ▲ Medium ▼ Low

HOW WE ADAPT

▼ Short-term horizon:
  - Monitoring facilities, particularly in the permafrost areas
  - Preventive measures for reliability enhancement of the facilities

▼ Medium-term horizon:
  - Automated monitoring systems and permafrost stabilisation systems
  - Transition to dry stacking
  - Reduction of fresh water use
  - Preparedness to reduced operational time of winter roads

▼ Long-term horizon:
  - Design and construction of facilities considering new climatic conditions
  - No construction in areas exposed to potential flooding or with unstable soils
## CLIMATE RISK MANAGEMENT

Applying scenarios and time horizons

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Short term (&lt;1 year)</th>
<th>Medium term (1-5 years)</th>
<th>Long term (&gt;5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUSTAINABLE DEVELOPMENT SCENARIO</strong></td>
<td>Preparation for the implementation cross-border and national carbon regulation</td>
<td>Cross-border carbon regulation, National carbon taxes, Best Available Technology mechanisms introduced, Boost in CO2 removal technologies and green-tech</td>
<td>Increase in cross-border and national carbon taxes, Widespread use of CO2 removal technologies, hydrogen technologies and renewables</td>
</tr>
<tr>
<td><strong>PARIS AGREEMENT SCENARIO</strong></td>
<td>Preparation for the implementation cross-border and national carbon regulation</td>
<td>Cross-border carbon regulation, Fast development of CO2 removal technologies and green-tech</td>
<td>Increase in cross-border carbon taxes, Cross-border carbon regulation, National carbon taxes, Best Available Technology mechanisms</td>
</tr>
<tr>
<td><strong>BUSINESS AS USUAL</strong></td>
<td>No changes in national/international carbon regulation</td>
<td>No cross-border carbon regulation, No emissions trading schemes or carbon taxes at national level</td>
<td>No cross-border carbon regulation, No emissions trading schemes or carbon taxes at national level</td>
</tr>
</tbody>
</table>

**Transitional risks**

- Increase in cross-border and national carbon taxes
- Widespread use of CO2 removal technologies, hydrogen technologies and renewables

**Physical risks**

- Frequency of weather extremes more than doubles

### Transitions

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Transitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUSTAINABLE DEVELOPMENT SCENARIO</strong></td>
<td>+1.5°C by 2100</td>
</tr>
<tr>
<td><strong>PARIS AGREEMENT SCENARIO</strong></td>
<td>+2°C by 2100</td>
</tr>
<tr>
<td><strong>BUSINESS AS USUAL</strong></td>
<td>+3-8°C by 2100</td>
</tr>
</tbody>
</table>

![Diagram of climate risk management scenarios and time horizons](image-url)
RENEWABLE ENERGY
Reducing carbon footprint and ensuring energy security

Plans forward:

- 2021: solar power plant at Omolon (2.5 MW)
- 2022: solar power plant at Kutyn1 (1 MW)
- 2023: wind power plant at Kyzyl or Varvara (10 MW)
- 2024: solar power plant at Prognoz (10 MW) and Kyzyl (10 MW)

Total expected capacity by 2025
35 MW of renewable energy generation

Total CapEx by 2030
$300M incl. other projects under consideration

Notes:
1) Part of Albazino hub
## DECARBONIZING TRANSPORT

<table>
<thead>
<tr>
<th>Low-carbon transport projects</th>
<th>Mine site</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 underground loaders and trucks</td>
<td>Dukat</td>
<td>2021-2026</td>
</tr>
<tr>
<td>12 underground loaders</td>
<td>Mayskoye</td>
<td>2022-2028</td>
</tr>
<tr>
<td>Electric-driven conveyor ore transportation system</td>
<td>Mayskoye</td>
<td>2022</td>
</tr>
<tr>
<td>26 underground loaders and trucks</td>
<td>Albazino</td>
<td>2021-2026</td>
</tr>
<tr>
<td>13 electro-hydraulic excavators</td>
<td>Varvara, Komar and Kyzyl</td>
<td>2021-2028</td>
</tr>
<tr>
<td>23 underground drilling rigs, loaders and trucks</td>
<td>Veduga</td>
<td>2021-2026</td>
</tr>
</tbody>
</table>

>90 units of electric underground and open-pit equipment

Total CapEx by 2030

$200M incl. other projects under consideration
GREEN FINANCING

An ideal tool to finance the transition to a low-carbon economy and safer environment

- In October 2020, Polymetal launched the **Green Financing Framework** (GFF) and agreed a **$125m Green Loan** with Societe Generale to finance investments in transition to a sustainable and low-emissions economy.

- The share of ESG instruments in our total debt is **16% or $280m**.

- Our GFF received a **CICERO’s Medium Green** shading and a governance score of **Good**.

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**GREEN LOAN ESTIMATED ALLOCATION**

- **$125m** for project to reduce environmental footprint
- **$66m** Sustainable waste management
- **$6m** Renewable energy
- **$6m** Sustainable water management
- **$47m** Clean transportation

Notes:
1) Includes historical investments in renewable technologies at Svetloye
SWITCHING TO SAFER TAILINGS DISPOSAL
Environmental benefits of dry stacking

- **Safety and pollution control**
  - Structure of waste deposition area is stable – no risk of major accident/dam failure
  - Waste is physically and chemically stable – no risk of pollutant leaching and release, including seepage to groundwater
  - Safer for wildlife – no dam means no risk for birds
  - Deposition site is easier to close and rehabilitate
  - Minimal containment required

- **Reduces environmental footprint**
  - Reduced land use by 20% thanks to higher density of dry stacks
  - Reduced consumption of water and minimal water management
  - Dewatered waste is transportable by track or conveyor
LOCATION AND TYPE OF OPERATED TSF AND DSF

Seismic conditions and permafrost in Russia and Kazakhstan are big advantage compared to Latam and Africa

DAM TYPES
- Dry stacking (DSF)
- Upstream TSF
- Downstream TSF
- Centerline TSF
- Future DSF

Notes:
1) Inactive since 2020
POLYMETAL AND WATER STRESS AREAS