

# The Human Resources (HR) Policy

## Introduction

This Human Resources (HR) Policy (hereinafter referred to as “the Policy”) of Polymetal International plc (“Polymetal”) and its subsidiaries (together “the Group”, and each individually a “Group Company”) is based on internationally recognised laws and principles and aims to strengthen and build on the Group's competitive advantages. The Policy shall therefore be considered inseparable from guiding principles stipulated by our Employment and Labour Standard, Human Rights Policy, Diversity and Inclusion Policy and other Polymetal policies and procedures.

The Policy is focused on the continuous improvement of HR processes and procedures. We seek to ensure that we remain flexible and able to quickly adapt to socio-political and economic changes, with the capacity to launch and implement any necessary changes and innovations.

The Policy is one of the Group's key human resources management documents and is guided by the core tenets of our mission:

- Forming a team of like-minded people to achieve outstanding business results;
- Creating working conditions and incentive systems that ensure safe and high-performance work;
- Providing the Group with the necessary staff numbers, skills and experience to achieve its goals and development projects;
- Facilitating the continuous improvement of staff skills and competencies.

The HR rules and procedures applied within the Group have been developed in accordance with this Policy and in strict accordance with the labour laws of the countries where the Group operates.

## Terms and Definitions

Discrimination – any distinction, exclusion, restriction or preference based on race, gender, age, religious beliefs, ethnicity, social status, sexual orientation, national or social origin, property, political or other beliefs, disability, birth or any other characteristic.

Management – executive managers of Group Companies, who have the authority to make or materially influence major commercial, financial and personnel decisions within a Group Company. Management is responsible for overall compliance of Group Companies with this Policy, and relevant internal policies and procedures regulating labour relations, consistent with this Policy.

## Scope of the Policy

This Policy applies to:

- Polymetal International plc;
- All Polymetal International plc subsidiaries or Group Companies in accordance with internal policies and procedures; and

- All permanent and temporary employees, contractors, managers, officers, directors, business partners and other third parties to whom this Policy may also apply.

## Commitments and provisions

We are guided by the following principles of HR processes and procedures:

- We ensure that work is carried out in a safe and healthy environment (Learn more: Health and Safety Policy);
- We optimise the organisation of work by employing cutting-edge technologies and tools;
- We guarantee the fair and transparent employment process (Learn more: Employment and Labour Standard);
- We ensure fair and competitive remuneration and rewards for our employees;
- We develop workers' potential and abilities;
- We encourage and support additional industry-specific training;
- We adapt our corporate structure, including the representation of regions and the Company's hierarchy, when needed for strategic purposes;
- We ensure that leadership articulates the behavioural expectations of employees, differentiating by role and level as appropriate.

## Our approach

We seek to recruit, hire, place and promote employees without discrimination.

Guided by our mission in all our countries of operation, we also adapt to on-the-ground realities and strive to build an environment where our people want to work. With this goal in mind, we apply the following integrated principles and approaches when organising HR management:

### Staffing

- Proactive recruitment, covering our recruitment needs for the mid-term;
- Personal recommendations from current employees via a robust referral system;
- Consideration of a diverse pool of applicants;
- Involvement of specialists and experts in the recruitment process;
- Use of the “customer principle” in the formation of our recruitment needs;
- Competitive approach and equal conditions for all candidates;
- Prohibition of child and forced labour;
- Public advertisement of job opportunities while reserving the right to withhold vacancies in certain circumstances, including planned succession, placement laid-off employees or restructuring;
- Safe, professional and transparent conduct throughout all interviews and selection processes, in compliance with the applicable laws;
- Limited use of non-regular employment (e.g. for specialised, non-core activities, during peak times or to an acceptable maximum percentage only). Measures to reduce the possible negative effects of non-regular

employment (e.g. checks on equal compensation and provision of benefits, right to permanent employment after a certain period of time and priority when hiring for permanent positions).

We are guided by the following principles during dismissal:

- Implementation of responsible redundancy procedures; and
- Avoidance of compulsory redundancies.

## Training and development

- Consistent and constant adaptation process that continues inside and outside the workplace;
- Complete integration of all new employees into Polymetal's corporate and social culture performed by their managers;
- Mandatory training in areas that support the accomplishment of Polymetal's goals and objectives, including but not limited to safety, ethics and compliance, policies and standards, and where appropriate, specific training for particular job requirements;
- Constant supervision of the professional growth of employees by managers;
- Use and development of a distance learning system;
- Timely identification of skills gaps and training needs;
- Prioritising training activities that develop employee skills based on in-depth assessment of their competencies.
- Measuring impact of training and development programmes on business productivity and job satisfaction.

## Performance appraisals and rewards

- Consideration and equal evaluation process for all employees;
- Task-based competency assessment. Use of RCC model (Result, Contribution, Competence);
- Employees are afforded the opportunity to give feedback and offer recommendations during meetings with managers;
- Objective evaluation, including 360 method;
- Frequent monitoring of performance and KPIs;
- Fair and equitable compensation programs that are competitive for the respective labour market;
- Compensation programs that are tied to the Company's and/or individual performance;
- Use of contingent payment based on the labour productivity of production units;
- Avoiding pay gap by ensuring equal remuneration at identical positions, grade levels and achievements;
- Constant dialogue with staff about evaluation and promotions, including via social partnership bodies and labour union councils;
- Succession planning as a key responsibility of leadership in the talent management process;
- Use of non-financial motivation as a regular awards and recognition measure and competitions among employees.

## Working environment

- Guarantee of safe and healthy workplace;
- Protection employees' rights to freedom of association and collective agreements;
- Decent and favourable working conditions, including necessary conditions to help employees conduct their activities;
- Advanced benefits package, including the promotion and support of physical and mental health and well-being and measures to economically protect the employees who take sick leave;
- Comfortable working environment and work-life balance.

## Policy Implementation

The Policy should be considered as inseparable from, and viewed in the context of, the principles and approaches described in the Group's other policies regarding HR management matters. These documents are available on Polymetal's website.

Group Companies shall retain sole responsibility for implementing and complying with the principles of this Policy. All Group Companies shall implement internal policies and procedures regulating labour relations conduct consistent with this Policy so far as they do not contradict the applicable laws and/or other regulatory requirements of the jurisdictions in which they operate.

The internal labour relations policies and procedures of Group Companies can be found on the internal networks of the respective companies. All employees should be made aware of these policies and know where to find them. The policies can be also obtained by contacting the internal communication department of each Group Company.

Breaches of this Policy are a serious matter and may render employees liable to disciplinary action, including dismissal, in accordance with applicable legislation, and the internal policies and procedures of the Group Companies. Equivalent penalties will also apply to contractors, managers, officers, directors, business partners and third parties engaged by or providing services on behalf of the Group. In many jurisdictions, such breaches may also leave individuals liable to prosecution by law enforcement or regulatory bodies. These authorities may impose significant penalties for the misconduct of third parties acting on behalf of the Group. The Group will not hesitate to terminate its relationship with third parties who have been found to be in breach of this Policy or other The HR policies and procedures.

## Review and monitoring

The Policy has been approved by the Board of Directors. The Nomination Committee (hereinafter – the Committee) oversees Group's compliance with the principles of this Policy and monitor Management's reporting.

This policy is subject to the review as needed but at least once in every three years by the Committee to consider if it remains appropriate and consistent with the applicable standards and practices, and recommend any changes it considers desirable to the Board for approval.

The Management of Group Companies conducts regular performance reviews against the principles of the Policy, as well as internal policies and procedures to ensure that we are fulfilling our commitments. The Relevant HR officials of each Group Company are responsible for monitoring the Policy's implementation.

## Contacts

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