nordgold
more than gold

Actionable contribution to sustainable mining notion

2020 sustainability report

Contents

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About Nordgold

About the Group

Nord Gold plc (the “Company”) and its subsidiaries (the “Group” or “Nordgold”) is a leading, pure-play, internationally diversified gold producer, producing over one million ounces of gold per annum. GRI 102-1, GRI 102-5 Nordgold has a proven track record of operational excellence and benefits from a significant international development and exploration pipeline. Since its foundation, the Group has grown into a one-million-ounce gold producer by pursuing a disciplined strategy of well-thought-through investment, continuous operational improvements, commitment to community engagement, and operating in an environmentally responsible manner. GRI 102-2

Embracing the principles of sustainable development, in our daily activities we strive to reduce our environmental footprint, operate safely, be a responsible employer and taxpayer, and foster the development of local communities in the regions where we operate.

Nordgold’s mission is to create sustainable value for all our stakeholders by being responsible stewards of the environment, trusted partners to our host countries and communities, and complying with the highest applicable corporate governance standards.

Employee welfare

As an employer of thousands of people, Nordgold is responsible for ensuring their safety.
We want our employees to achieve their potential in conditions that are both comfortable and safe.
Safety is our absolute priority.

Read more

Community development

Being a responsible member of the communities in which we operate is central to the way we do business. We believe that investing in these communities and helping them develop is essential and a key consideration at all our mines.
We contribute to communities to become a trusted local partner.

Read more

Investor confidence

We are continuously improving our processes throughout the value chain in order to achieve sustainable and best-in-class operating practices at all our mines. We are committed to delivering attractive, competitive, and preferably superior returns on invested capital in all reasonable gold price environments.
We firmly believe in the importance of growth and maintain a strong pipeline of highly attractive low-cost development projects.
We want to earn the trust of the investment community.

Read more

The environment

Environmental responsibility is a core value for Nordgold.
We are committed to minimising damage to the environments in which we work.
We look after the environment.

Read more

Nordgold is fully committed to running sustainable, safe, and efficient operations and strives to integrate best-in-class sustainable development principles across our value chain. In 2020 we made excellent progress in improving our environmental, social, and governance (ESG) performance. Looking forward, we will continue to identify further opportunities for even greater improvement.

Message from the CEO

GRI 102-14

Welcome to our Sustainability Report 2020, which highlights some of the important achievements we have made in our overall sustainability performance, including in the areas of health and safety, climate change, environmental stewardship, employee engagement, and local community development.

In 2020 the COVID-19 pandemic triggered unprecedented challenges and impacts on our business and society as a whole. Despite the challenges presented by the pandemic, Nordgold recorded an outstanding set of production, financial and ESG results in 2020. Refined gold production of 1,045.6 thousand ounces of gold equivalent (koz) was marginally up on 2019.

The strong production results were driven by the Gross, Taborny, Taparko, Irokinda, and Berezitovy mines, which more than offset lower production at other mines.

Though COVID-19 was a major challenge during the year, Nordgold made good progress in developing its ESG strategy, incorporating activities and commitments on combating climate change, boosting diversity, promoting safety, and increasing our community investments. With a particular focus on the UN's Sustainable Development Goals, we established detailed targets up to 2025 in four focus areas of our ESG strategy: Safety, Social, Governance, and Environmental. We also implemented a wide range of ESG-related standards and policies, consolidating our responsible approach towards ESG issues.

Nordgold is committed to increasing the efficiency of its core business, and actively implements projects geared towards operational improvements and enhancing management systems. To that end, we have invested heavily in technology across our global mine portfolio, while also implementing best practices and new innovative systems that have a material impact on performance, efficiency and, above all, safety.

Our people remain the most important part of Nordgold, and it is the quality and capabilities of our people that differentiate Nordgold and which allow us to look to the future with confidence. I would like to thank them all for their diligence, commitment, and the way they adapted so well to the changes we made to ensure that we could get through the pandemic safely.

Safety first

Our primary objective is to achieve Zero Harm for our employees and contractors. This means making safety core to everything that we do. The safety of our people will remain our priority until we achieve a zero-incident rate.

In 2020 we significantly improved our health and safety performance and achieved zero employee fatalities. Compared to 2019 our LTIFR and TRIFR indicators almost halved to stand at 0.14 and 0.52, respectively. Despite all the improvements I must report with deep sadness one contractor fatality, at the Suzdal mine in June 2020 and one employee fatality at the Irokinda mine in January 2021. The incident was fully investigated, and appropriate actions taken. This was a tragic reminder that our focus on safety must never waiver. Additional training and greater controls over contractors' health and safety standards were implemented across our operations and our efforts continue.

Nordgold has planned the completion of certification vs. ISO 14001 and 45001 standards in 2021 for its open pits Gross and Taborny mines (Yakutia, Russia) as well as underground Suzdal mine (Kazakhstan) and across the Group's remaining mines by 2023.

After the onset of the COVID-19 pandemic we immediately implemented extensive preventative measures across our global operations to keep our mine sites safe for employees, contractors, and suppliers and to support local communities. We also assessed all potential risks to our business by developing a Business Continuity Action Plan to counter potential disruptions. In addition to other stringent hygiene and social distancing measures, and working from home protocols for office staff, we performed a global COVID-19 testing programme of our employees and contractors. As at the end of 2020 we recorded 95% workforce availability. I am truly proud of the efforts that our teams have made. Nordgold continues to closely monitor the prevalence of COVID-19 in the regions where we operate. Respective measures, including related to testing, monitoring, hygiene, and social distancing will remain in place for as long as necessary.

Responding to climate change

We committed to net zero CO2 emissions by 2050 in support of the Paris Agreement. In 2020 we began to formulate our climate strategy and updated the methodology used to measure CO_2 emissions, based on international ISO 14064-1-2018 and GHG Protocol standards. The new methodology will enable us to develop strategic and science-based medium- and long-term targets for reducing CO_2 emissions.

At the beginning of 2021 we conducted a qualitative climate risk assessment of our assets in Russia, Kazakhstan, and Africa (for more information about the climate risk analysis results, see the TCFD chapter of this report). Climate risk management will be integrated into the corporate risk management system in effect at all Nordgold business and support units.

As part of our ESG strategy we have set specific climate objectives related to reducing CO_2 emissions, and we will continue to implement ongoing improvements and introduce new projects across our mines to attain these goals. Our target is to reduce direct GHG emissions intensity (Scope 1) by 3% by 2023 (from the 2020 base). This will mainly be achieved by building a new, highly efficient power plant at Lefa and introducing improvements at the power plant at the Gross mine.

Supporting local communities

How we engage with our local communities is central to our license to operate and core to our values as an organisation. We make a significant contribution to local communities through creating jobs, paying taxes, building local supply chains to procure goods and services, as well as supporting local social projects. These include supporting projects in healthcare, education, and environmental protection in the regions where we operate.

In West Africa, for example, we have supported the construction of schools, hospitals, and other infrastructure including roads and community centres, and also provided access to pure water. We have also organised entrepreneurship seminars, a women empowerment programme, micro-project planning and management initiatives, and also launched financial programmes to support local farmers.

Providing support to local communities, including supporting their language, culture, and traditions, is also an important part of our ESG strategy. Nordgold provided grants to finance 39 local projects in Russia, primarily aimed at supporting the development of local tourism, recreation, and social infrastructure and improving youth education facilities. We continued to support the indigenous people of the Far North, through education, cultural seminars, and investment in events and heritage centres.

The future

With a well-invested asset base, an outstanding team, and an ingrained commitment to making a positive contribution to our host communities, Nordgold is very well placed to continue to foster and drive value for all stakeholders.

In March 2021, a number of changes took place in the composition of the Company's Board of Directors. With these changes, Nordgold now has five Independent Non-Executive Directors, including the Chair, and nine Board members in total, therefore fully compliant with the UK Corporate Governance Code's Board composition requirements.

In 2021 we will continue to integrate sustainability across our business units. The management team and I would like to thank all our stakeholders for their contribution to the success of Nordgold and their commitment to creating a more sustainable, ecological, and inclusive future.

Nikolai Zelenski
Chief Executive Officer

For Nordgold, doing business responsibly means ensuring a high standard of processes and practices related to sustainable development, at all management levels.

Ongoing initiatives and plans for the future

E	▶ Implementation of projects to reduce GHG emissions by 2023 ▶ Set of environmental KPIs ▶ Calculation of Scope 1 and 2 CO_2-eq emissions ▶ Automation of environmental reporting ▶ Compliance with ISO 14001	▶ Calculation of Scope 3 CO_2-eq emissions ▶ Creating a climate strategy with a commitment to Net Zero CO_2-eq by 2050 ▶ Reviewing of solar power project at Bissa ▶ Satellite monitoring on tailing dams, dwellings, and artisanal mining activities ▶ Biodiversity study and mapping programme ▶ Implementing a biodiversity standard for BUs
S	▶ Compliance with ISO 45001 ▶ Safety focused corporate culture including the introduction of safety ambassadors ▶ Introduction of the Hazard Identification Programme ▶ Promoting agriculture and local employment in West Africa ▶ Education in Africa, including building Lero's high school ▶ Human Rights Policy, Equal Opportunities Policy, Policy on Corporate Social Development Programmes introduction	▶ Continuing work of safety ambassadors and small initiative groups at Nordgold mines ▶ Developing HSE leadership KPIs for Nordgold mines managers ▶ Resettlement / human rights trainings for Nordgold management in HO and CSR teams in Africa as well as for mines' General Managers ▶ Human rights trainings for Nordgold security team ▶ Diversity initiatives: Women's club ▶ Resettlement audits
G	▶ Compliance with UK Corporate Governance Code and sustainability leading practices ▶ Anti-corruption policy training for employees and top managers ▶ The Suppliers Code of Conduct introduction ▶ Human rights risk assessments of suppliers ▶ Sustainability report preparation	▶ Formulating the ESG strategy and its approval by the Board ▶ First ESG-linked Revolving Credit Facility ▶ Improving the gender balance of the Board of Directors

Highlights

Financial and production

10 Operating mines in Russia, Kazakhstan, Burkina Faso and Guinea

4 Development and exploration projects in Russia, French Guiana and Canada

1,045.6 Koz — record level of gold production

US **$382.3m** Capex

US **$1,861.4m** revenue

Environmental

1.75% decline in carbon intensity (vs 2019)

US **$2m** spent on environmental programmes

85% share of recycled water

70% rise in the volume of recycled waste

75 ha of trees planted

Commitment to **Net Zero CO_2-eq** by 2050

Social

8,190 average headcount of employees as of the end of 2020

Average **12 hours** of training per employee

0.14 LTIFR

0 employee fatalities

84% employee satisfaction rate

US **$2m** invested in local communities

Governance

5 Independent Directors of 9 as of March 2021

6.5 years average tenure of Board members

17% females holding management positions

US **$128m** remitted in taxes, dividends, and funds for infrastructure improvements

95 Hotline queries

98% of suppliers compliant with human rights

Improving ESG rating positions

WWF

Climbed to 12th position from 14th in the annual Russian Metals and Mining Companies Environmental Transparency Rating

SAM Sustainability Award Gold Class 2020

A self-assessment of our ESG performance was made to identify gaps and perform corrective actions

ecovadis

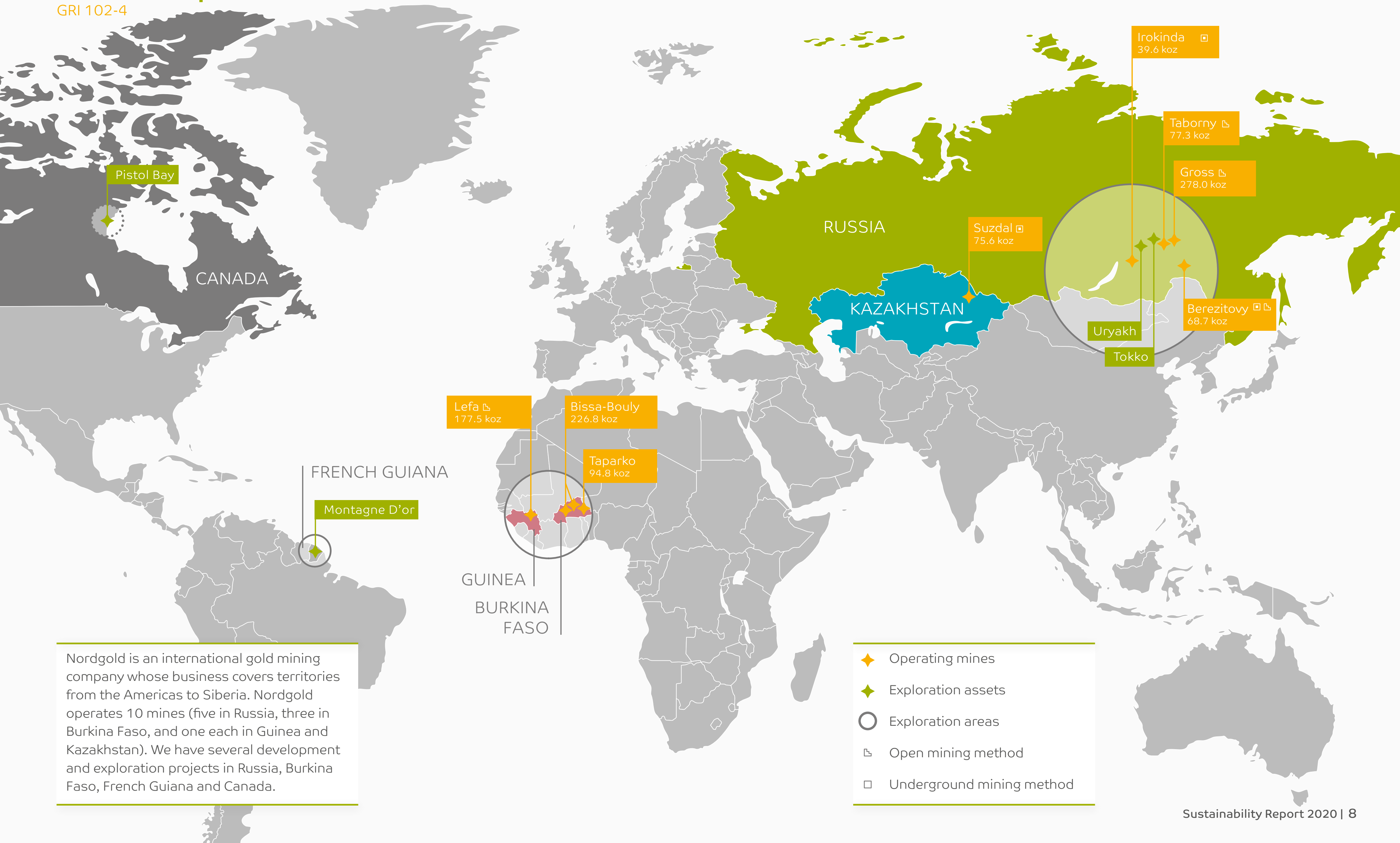
43 points in the ESG Rating (up from 30 in 2019)

SUSTAINALYTICS

Ranked 27th out of 115 companies of the Precious Metals Industry (as of March 2021)

Where We Operate

GRI 102-4



Nordgold is an international gold mining company whose business covers territories from the Americas to Siberia. Nordgold operates 10 mines (five in Russia, three in Burkina Faso, and one each in Guinea and Kazakhstan). We have several development and exploration projects in Russia, Burkina Faso, French Guiana and Canada.

Strategic Focus Areas

We understand that truly sustainable business development and being engaged in such a complex activity as mining without incurring any risk for future generations is possible only if environmental, social, and governance factors are carefully analysed and assessed.

The principles of sustainable development underpin all our values and are integrated into the Group's overall business strategy, which allows Nordgold to identify and manage risks and opportunities in a timely manner as well as increase the value created for stakeholders.

Nordgold embraces three main areas of sustainable development, with related strategic goals.

	Environmental (E)	Social (S)	Governance (G)
Priority areas	▶ Environmental stewardship ▶ Biodiversity, land use, and mine closure ▶ Water, energy, and climate change	▶ Safety and health ▶ Human rights and conflict resolution ▶ Labour rights ▶ Working with communities	▶ Corporate governance ▶ Ethics and compliance ▶ Social and economic development ▶ Supply chain
Strategic goals	▶ Reduce **direct GHG emissions intensity (Scope 1)** by 3% by 2023 (from the 2020 base) ▶ Net Zero CO_2-eq by 2050	▶ Reduce the LTIFR by 25% by 2025 compared to 2020 ▶ Zero Fatality and emergencies lead to mine shutdowns ▶ Completion audits for all resettlements in Bissa and Bouly by 2023 ▶ 25% female representation at management level target by 2023 ▶ Boost the community investment programme by 50% by 2023 (from 2019 base)	▶ Plans to comply with the UK Corporate Governance Code

Our sustainability approach is based on compliance with the highest corporate governance and sustainability standards and applicable law, including those related to human rights, labour, the environment, and anti-corruption.

When formulating our future ESG-strategy, we stringently take into account the United Nations Sustainable Development Goals (SDGs) that are pertinent to the Group›s activities.
Read more: Contribution to the Achievement of UN SDGs.

In 2020 we set up an ESG committee to integrate sustainability into the Group's operational activities. The committee is represented by legal, community relations, corporate communications, and health, safety and environmental teams and is engaged in managing environmental, social, and governance issues. Representatives from other departments are also invited, to enable the deeper integration of ESG into the Group's business. The main topics discussed by the committee include report preparation, policy development, various initiatives, and ESG ratings.

We conducted a gap analysis of our ESG performance in accordance with ESG rating criteria. The current management system was analysed for compliance with regulatory frameworks, best practices, stakeholders' expectations, and related risks and opportunities. During the analysis Nordgold paid great attention not only to such fundamental areas as health and safety, the environment, and employee wellbeing, but also human rights, the supply chain, and local community development - topics that represent modern challenges for business and society. The gap analysis uncovered potential growth areas vis-à-vis improving the Group's ESG performance, and as a result a roadmap was drawn up.

To systematise our ESG practices and formalise our commitments, in 2020 we began elaborating an ESG strategy. At the end of the last and at the beginning of this year we explored the entire spectrum of ESG issues and analysed current KPIs for compliance with the main aspects of the ESG strategy. We plan to finalise and establish the strategy in 2021.

Stakeholder Engagement

GRI 102-21, GRI 102-33, GRI 102-42, GRI 102-43

Understanding the values and needs of our stakeholders helps us build open, respectful, and mutually beneficial relationships with them. Nordgold believes that continued stakeholder engagement forms a fundamental part of our strategy and long-term success. The Group is committed to working with all its stakeholders in a reliable, comprehensive, and transparent manner.
Read more: Annual Report 2020/ Stakeholder Engagement.

The main stakeholders for Nordgold are those whose interests, decisions, and health and safety may be impacted by the Group's activities or, conversely, who may potentially affect it. These include shareholders, local and federal authorities and supervisors, employees and contractors, local communities, the media, NGOs, industry organisations, and other structures that express the interests of local communities. GRI 102-40

The Group complies with its obligations related to liaising with local communities, in accordance with the applicable legislation of the countries in which Nordgold operates and in line with IFC recommendations. Also, we have introduced a Community Relations Policy that facilitates collaboration between different stakeholders and the Group, thereby improving our understanding of important issues as well as our ability to address them.

Employees

Gold for Nordgold is its employees. We make sure than we pay high salaries, educate our people, and create decent working conditions. A Hotline and complaints portal are available 24/7 for our employees.

Local communities

We endeavour to generate long-term value for our regions of operations, and develop strategies in close cooperation with local authorities.

Business partners

We maintain good relationships with our supplies, parthers, and customers, engaging regulary with them to ascertain their views, expectations, and outlooks.

Governments

We maintain regular dialogue with relevant authorities, presenting our views on key legislations and policy issues. In dealing with government bodies, Nordgold always conducts itself in accordance with the highest ethnical standards.

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Investors

We actively engage with our shareholders and investors through regular communications, roadshows, and Q&A sessions. Our approach embraces transparency and timely communications to support fair disclosure.

Media

We regularly update information on our website and interact with various publications to keep the media up to date on our latest news.

Industry organisations

We strive to ensure that our business adheres to high standards and best practice. We are committed to making ongoing improvements in our approach and performance.

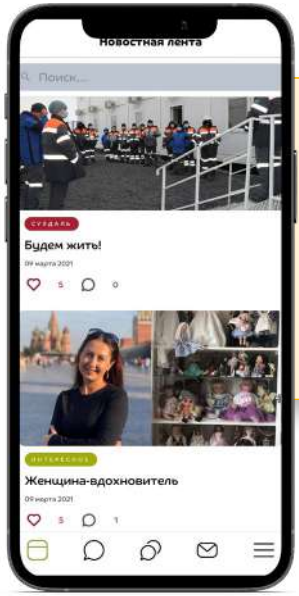
Civil society & NGOs

We often consult with relevant local and international NGOs, who provide specialised expertise on managing impacts and share our interests and concerns. We strive to always respond to their concerns to increase our understanding of issues.

In 2020 we continued to actively engage with stakeholders through various communication channels. This included a corporate portal for our employees; a corporate newspaper for staff in the Russian and French languages at our Russian, Kazakh, and African mines; the Nordgold Info mobile news app at our Russian and Kazakh mines; an HR hotline; and negotiations with trade unions on concluding collective agreements.

We embrace openness and transparency in our operations and regularly report on the development strategy of Nordgold, any significant changes in our activities, and new initiatives. The Nordgold newspaper was recognised as the best corporate media publication in Russia by MediaLeader (2017) and AKMR (2018) and in the PROBA Awards (2018) contests.

During our work we actively interact with local communities. Businesses in African countries actively engage with local communities through consultative committees, which consist of local residents, local authorities, traditional spiritual leaders, and representatives from local associations (e.g. young people and women). Each community has a dedicated liaison person. Personal meetings between the management and local authorities are also held. In 2020 Bissa held 23 formal engagement meetings.



The Nordgold app

At our business units in Russia and Kazakhstan we have launched the Nordgold Info news mobile app, which provides a feedback function and an option that allows a person to ask the Nordgold functional director any question. The app also allows complaints or requests to be made, which are answered by top management. In 2020 the app became even more valuable and relevant, as it could be used to publicise various measures to combat COVID-19 as well as the results for year, plans, and other operational news.

In cases where the expansion of production requires the resettlement of residents, public consultations are held, where Nordgold representatives communicate resettlement conditions, plans related to housing constructions, and the conditions and level of compensation to be made available for lost land plots and property. This process is guided by IFC Performance Standard 5.

In order to ensure up-to-date informational exchanges with local communities, Nordgold has established a detailed grievances management procedure that is compliant with IFC Performance Standard 1, and which is adapted to local customs and cultural specifics.
Read more: Ethical Business Conduct and Combatting Corruption.

Interaction with stakeholders helps us attract partners to implement socio-economic development and environmental programmes in the territories where we operate, which helps to mitigate corresponding risks. The operators of our grant programmes in Buryatia and the Amur Region are experienced non-profit organisations that serve as resource centres, and they have extensive experience and knowledge of the issues faced by local communities.

Indigenous people

The Group pays special attention to interacting with indigenous people in our regions of operation, and provides support to such people, for example, by providing them with the funds needed to develop their communities. We also have socio-economic development agreements in place that are geared towards empowering these communities.

The small-in-number indigenous peoples of the north live in the Tyndinsky District in the Amur Region (around 1,000 Evenkis) and the Okinsky District in the Republic of Buryatia (3,500 Soyots), where Nordgold assets are located. These territories are situated in mountainous areas and are characterised by having poor transport links, an undeveloped social infrastructure, and a challenging social and economic environment. Nordgold mines and their employees have a stake in ensuring that the areas in which they operate have a stable and healthy social environment. In this regard, Nordgold annually holds a social projects competition in the districts of Buryatia and the Amur Region, in which it supports local initiatives with grants totalling US $28 thousand. Indigenous people are also located in the Yakutia, some 150km from our Gross and Taborny mines. GRI MM5

Participation in international and national forums

Despite the challenging prevailing conditions, in 2020 Nordgold participated in various forums on a range of topics:

2nd Russia-Africa Public Forum

During the session, Chief Legal Officer Evgeny Tulubensky described the innovative technologies that Nordgold employs, and emphasised that the Group focuses on five priorities when operating in different countries:

- creating new jobs for local communities
- enhancing the education and healthcare infrastructure
- helping facilitate economic empowerment
- supporting environmental projects, including programmes to combat desertification

Verdantix HSE & OPEX Innovation Summit EMEA

At this summit, 200 senior managers in HSE operations and engineering roles from a range of industries came together to share their insights on how to improve HSE and Operational Excellence outcomes using innovative technologies. Nordgold's key priority is protecting the health and safety of its workforce, and Sergey Kharitich, Nordgold's Global Health Safety and Environment (HSE) Director, participated and contributed to the summit.

WorldSkills Hi-Tech-2020

In 2020 the biggest professional skills competition for specialists aged 16 to 49 from the largest domestic enterprises in Russia was held. Students from universities who combine study and work got to demonstrate their practical skills. Over 100 people from the expert community took part. Alexey Gusev, Nordgold Environmental Manager, participated as an evaluating expert.

MINEX Russia 2020

Nordgold representatives took part in three sessions of the forum, including ESG, Women in Mining Russia, and Mining Goes Digital.

Materiality Analysis

Nordgold regularly engages with stakeholders in order to ascertain the sustainability issues that are important to our business. In this connection we conduct materiality assessments to identify what matters to the business and to our stakeholders. These assessments are performed in accordance with GRI Standards. In order to identify material topics for stakeholders, we also analysed:

- information requests from business partners and rating agencies, including ESG ratings and financial institutions
- publications on the Nordgold website and in social networks
- feedback materials from the Group's employees and their queries to Nordgold's management

When determining materiality topics, the working group took into account the significance of these issues for the Group, key stakeholders, materiality in terms of the global context, and business obligations, including those set forth in international and Russian documents and initiatives, including the UN Global Compact and SDGs.

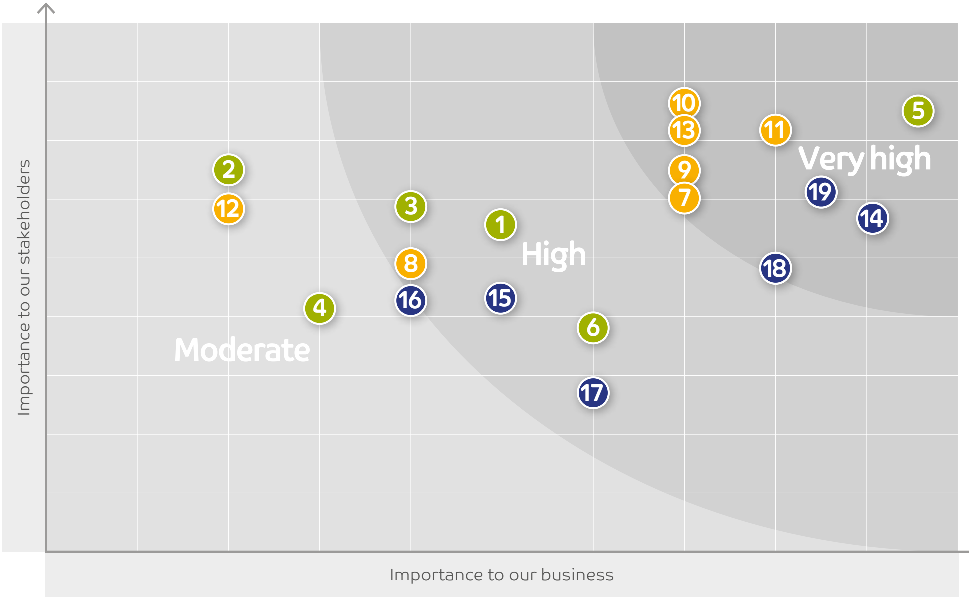
In 2020 we identified 19 material issues that are considered important vis-à-vis reflecting environmental, social, and governance impacts across our business, or influencing the decisions of stakeholders. GRI 102-44, GRI 102-47

Assessment is performed through an annual survey of stakeholders' representatives – both internal and external stakeholders – and is based on a review of sustainability risks and opportunities related to each topic that consists of two dimensions: the impact on the topic from Nordgold and the influence exerted by the topic on assessment and decision-making within Nordgold.

A total of 37 questionnaires were collated from representatives from local communities, non-profit organisations, business partners, and state and local government bodies, including representatives from local authorities in Burkina Faso and Guinea as well as Nordgold representatives.

Scores from internal and external stakeholders were obtained for each topic and inserted into a materiality matrix in terms of the significance of their environmental, economic, and social impacts on the business and their importance to stakeholders.

Materiality Matrix



Environmental (E)

1. Biodiversity
2. Water and effluent
3. Waste
4. Emissions
5. Climate change
6. Energy

Social (S)

7. Occupational health and safety
8. Training and education
9. Employment
10. Local communities
11. Human rights assessments
12. Diversity and equal opportunities
13. Emergency preparedness and response

Governance (G)

14. Economic performance
15. Anti-corruption
16. Sustainable management practices
17. Tax
18. Suppliers social and environmental assessment
19. Socio-economic compliance

Contribution to the Achievement of UN SDGs

GRI 102-12, GRI 102-13, GRI 102-34, GRI 102-44

In 2020 Nordgold joined the United Nations Global Compact Initiative on Corporate Sustainability and reaffirmed its commitment to abiding by the Global Compact's 10 principles and 17 SDGs. We strongly believe that each goal is truly important.

Therefore, we have chosen several areas in which our contribution will be most significant, and our stakeholders helped us identify material areas. The Nordgold approach to goals is to deliver a first-rate performance in accordance with our targets and objectives.

The table below reflects our priority areas of activity and the Group's contribution to their development.

Material Topics	Why is it important?	Stakeholders	Highlights	UN SDG
Environmental stewardship	The implementation of sustainable nature management practices has become an integral part of our business. We are responsible for improving the efficiency of our use of water and energy, recognising that the impacts of climate change and water constraints may increasingly become a threat in the regions where we operate.	• Local communities • Governments • Civil society and NGOs • Industry organisations	• US $2 million spent on environmental projects in 2020 • 70% rise in the volume of recycled waste	6 Clean Water and Sanitation 17 Partnerships for the Goals
Climate change	Climate change is one of the main challenges and risks faced by humanity. We endeavour to do all we can to reduce our carbon footprint. Nordgold is committed to implementing carbon-reducing practices, as well as adhering to best practices and international initiatives and guidelines.	• Local communities • Governments • Civil society and NGOs • Industry organisations	• 1.75% decline in carbon intensity (vs 2019) • 1,041 thousand tonnes of CO_2-eq and 124 thousand tonnes of CO_2-eq Scope 1 and Scope 2 GHG emissions • 75 ha of trees planted	13 Climate Action 17 Partnerships for the Goals
Health and safety	Working in an area with high health risks, we are responsible for the safety of our employees and contractors. We adopt a preventative approach towards health and safety and have established and foster a proactive safety culture.	• Employees • Business partners	• LTIFR: 0.14 • Zero employee fatalities and 1 contractor fatality	3 Good Health and Well-being 8 Decent Work and Economic Growth
Socio-economic development	Nordgold makes a valuable contribution to the socio-economic development of our regions of operation. Via various activities, which include employment and training, developing infrastructural and social facilities, and environmental stewardship we can better understand the needs of local communities. Nordgold aims to contribute to the advancement of communities and to build mutually beneficial relationships with all our stakeholders.	• Local communities • Governments • Employees • Civil society and NGOs	• $128m remitted in taxes, dividends, and funds for infrastructure improvements • US $2 million spent on social and infrastructural projects • US $2,751 million in economic value created	1 No Poverty 11 Sustainable Cities and Communities
Human rights	Nordgold is uncompromising on human rights violations and does not tolerate discrimination in any form. We invest our expertise and resources in supporting human rights to build a sustainable social foundation.	• Employees • Business partners • Local communities	• 76% of Security department employees in Russia and Kazakhstan and the community relations team in West Africa completed human rights trainings • over 500 women took part in our women empowerment programme in West Africa	5 Gender Equality 16 Peace, Justice and Strong Institutions
Employment	Our success relies on our ability to attract, develop, and retain talented employees, at all levels. That is why we put great efforts into developing our training practices and creating safe and healthy working conditions for our employees.	• Employees • Local communities	• US $2 million invested in trainings • 79,752 training hours for workers and 8,811 for managers • Employee satisfaction rate: 84%	3 Good Health and Well-being 8 Decent Work and Economic Growth
Sustainable management practices	Nordgold complies with high standards of corporate governance and sustainable development, and these are enshrined in the Group's policies. We are intolerant of corruption and advocate an honest approach to doing business with all stakeholders.	• Employees • Civil society and NGOs • Investors • Business partners • Industry organisations	• 0 confirmed incidents of corruption • 33% of suppliers (by volume of purchases) were assessed as being 98% compliant with human rights • 154 employees and 18 top managers attended anti-corruption trainings	16 Peace, Justice and Strong Institutions 17 Partnerships for the Goals
Economic performance	Nordgold's priority is to build trust-based and mutually beneficial relationships with our investors and other stakeholders. We firmly believe in the importance of growth and maintain a strong pipeline of highly efficient and low-cost development projects.	• Investors • Business partners • Local communities	• Record gold production of 1,045.6 Koz gold equivalent • US $2,751 million direct economic value generated	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure

Governance and Sustainable Development

2

> With a global reputation as a leading developer of tier-one gold mining assets, we recognise our role and responsibilities in the areas of community development, safety, health and wellbeing, as well as environmental stewardship at both a global and local level.

Message from the Chairman of the Safety and Sustainable Development Committee

Sustainable development principles form the basis of our approach and are an integral part of our business. We believe that adherence to these principles facilitates forward growth for the business and creates sustainable value for all stakeholders. As we continue to deepen our presence across the regions where we operate, we seek to consider the ESG risks and opportunities in a manner that is consistent with our values.

The metals and mining sector is paying increased attention to ESG management and ramping up its efforts to address growing concerns over ESG-related issues in the industry. We comply with stringent sustainability standards in our daily activities. In 2020, to confirm our commitment to leading sustainability practices on a global level, Nordgold officially joined the United Nations Global Compact Initiative on Corporate Sustainability – the world's largest corporate sustainability initiative.

In 2020 we made significant progress towards developing ESG practices across the entire Group and this is highlighted throughout this Report. We conducted a gap analysis of our practices and paid great attention not only to such fundamental areas as health and safety, the environment, and employee wellbeing, but also human rights, the supply chain, and local community development issues. Based on the results we have developed a forward-looking sustainable development roadmap and begun to create an ESG strategy encompassing specific and measurable sustainability related strategic goals.

We have entered a decade of decisive action in order to achieve by 2030 the performance targets set forth in the SDGs. We have mapped our sustainability priorities to the SDGs and selected priority goals related to eradicating poverty, promoting good health and well-being, climate change, sustainable cities and communities, gender equality, and decent work and economic growth.

Reducing our environmental footprint

Climate change is the greatest challenge of our generation and is front and centre of the global agenda. Nordgold's specific climate objectives are incorporated into related operational improvement and development programmes.

We are committed to achieving net zero CO_2 emissions by 2050. To meet this target, Nordgold will further develop its criteria for all new projects. This will include progressive new requirements for renewable power generation, a green mining fleet and supporting vehicles, processing, and refining capacity.

In 2020 Nordgold took the first steps to ensure compliance and disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the most important climate initiative today. In 2021 we conducted a qualitative climate risk assessment of our assets in Russia, Kazakhstan, and Africa and subsequently intend to draft a Climate Risk Management Policy in accordance with the TCFD.

In addition, Nordgold regularly implements initiatives to protect the environment in every country where we operate. These initiatives include water resource management, land and waste management, emissions monitoring, the management of hazardous substances, and the preservation of biodiversity. We have begun using satellites to monitor both the stability of tailings and surrounding villages.

We are also addressing desertification issues by planting trees in West Africa, and supporting forestation efforts in Russia. In 2020 forestation activities were carried out on 171 hectares of land. In Africa, our focus is on trees that will benefit local communities (morenga, acacia nilotica, mango, papaya, etc.)

A developing and improving safety culture

The health and well-being of our employees has always been and will always be our top priority. After the onset of the COVID-19 pandemic we rapidly implemented a number of preventative measures across the business, and do all we can to keep our mine sites safe for our employees, contractors, and suppliers. The Sustainable Development Committee (SSD Committee) closely monitors COVID-19 statistics, and mitigation measures are implemented on a quarterly basis.

In 2020 we concentrated our efforts on enhancing the culture of safety cross all our operations. As a result, we improved our LTIFR performance to 0.14, and recorded zero employee fatalities in 2020. We deeply regret one contractor fatality at the Suzdal mine in June 2020, and one employee fatality at the Irokinda mine in January 2021. I offer my sincere condolences to the families of the individuals concerned. All accidents were investigated, and all necessary measures were subsequently taken.

Positive impact on local communities

Alongside support provided to host countries and communities to combat the spread of the COVID-19 virus, Nordgold continued to fulfil its obligations to invest in the infrastructure and development of local communities. Total investments in the social sector of the countries where we operate stood at US$1.93 million and were geared towards improving the social and living conditions of people that live near our mines.

At Bissa we launched the women empowerment programme. The first stage of the programme involves 20 women learning how to be economically independent and how to manage their own incomes, with a view to building small thriving businesses.

On the territory of Russia and Kazakhstan, Nordgold pays special attention to projects aimed at providing access to social services for groups with disabilities, charity projects, and targeted appeals from representatives of local communities. We continue to create value and contribute to the development of communities through the various positive socio-economic benefits generated by our business. We work both at corporate and local levels, and engage directly with communities to help address a broad range of local challenges.

Report of the Safety and Sustainable Development Committee under the Board of Directors

All matters relating to safety, health, the environment, and sustainable development fall under the competence of the SSD Committee, which I have the privilege of chairing.
We are committed to working in accordance with:

- The UN Global Compact
- International Labour Organization (ILO) Core Standards
- The United Nation's Universal Declaration on Human Rights
- UN Guiding Principles on Business and Human Rights (UNGPs) including its Protect, Respect, and Remedy Framework
- UN Sustainable Development Goals

The SSD Committee was established to assist the Board in fulfilling its health, safety, and environment and community, and sustainable development roles and obligations globally.

The committee comprises four independent directors: David Morgan, Gregor Mowat, John Munro, and myself, Brian Beamish. The committee monitors and evaluates reports on the effectiveness of Safety and Sustainable Development policies, management standards, strategy, performance, and governance across the Group, and also reports to the Board on key safety and sustainable development issues.

The SSD committee operates under terms of reference that are approved by the Board and meets at least once a quarter. Committee meetings are also attended by the CEO and representatives of the management team responsible for various areas of safety and sustainability.

In 2020 we held four meetings, and focused on the following key areas: GRI 102-27

- reviewing the sustainability development roadmap and gap analyses of ESG issues
- the climate agenda
- diversity
- reviewing safety statistics and incidents from the previous quarter
- assessing the Group's safety performance, including lessons learnt from fatalities
- the Group's response to terrorist threats in Burkina Faso
- mine rehabilitation plans

On behalf of my fellow committee members I would like to thank our employees, partners, and contractors for their valuable inputs and delivering another year of successful development. Always upholding high standards in our approach to sustainability, the SSD Committee will continue to promote best industry practices across all our operations, whether that be from our employees or across our supply chain, and we believe that our business can contribute positively to the vital and pressing area of sustainability. We know that there is more to be done, and we will lead ongoing efforts to create a sustainable future for all our stakeholders.

Brian Beamish,
Chairman of the Safety and Sustainable Development Committee

Corporate Governance

Nordgold is committed to transparency and the principles of the UK Corporate Governance Code. In 2019 we embraced the Wates Corporate Governance Principles for Large Private Companies published by the Financial Reporting Council (FRC).
Read more: the Annual Report 2020 / Corporate governance.
GRI 102-22, GRI 102-26

The Nordgold corporate governance system is based on a clear allocation of roles and responsibilities between governance bodies, with strict observance of the rights and interests of shareholders. At Board level, Nordgold is guided by experienced professionals. As of 31 December 2020 the Board was made up of eight directors, of which two are executive directors (the CEO and CLO), and six are non-executive directors, one of which is the controlling shareholder. Four out of eight of our directors, including the chairman, are independent. GRI 102-23 At management level Nordgold is led by an ambitious, dynamic, and capable management team.
Read more: the Annual Report 2020 / Corporate governance.

Board composition

The Board of Directors plays a key role in developing and improving the corporate governance system. Four Board committees have been established for the preliminary study of issues and to make recommendations to the Board. Board of Director members are appointed until the next annual general meeting and are subject to annual re-election. GRI 102-24 The Board has an appropriate balance of experience, qualifications, and independence, as well as socio-cultural diversity. The Board includes citizens from Russia, England and the South African Republic. The age of Board members varies from 40 to 64 years, while the average tenure of a Board member is 6.5 years[1]. GRI 102-22

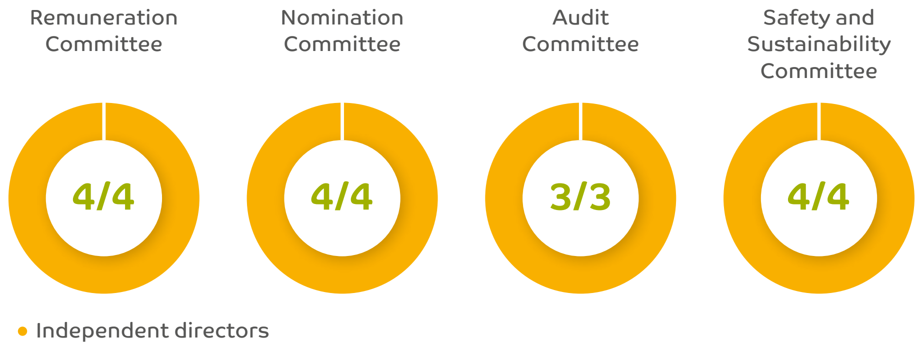
The Board of Directors consists of international mining executives and experts, including in the ESG sphere, who oversee management processes, identify main risks, and ensure the effective functioning of necessary risk management and internal control systems. A high level of independence and diversity among directors ensures high-quality assessments and decision-making on various issues faced by the Group.

In March 2021 Michael Nossal and Yulia Chekunaeva joined the Nordgold Board of directors. Mr Nossal joined as Independent Non-Executive Chairman and replaced David Morgan, who was appointed Chairman in 2014. Mr Morgan joined the Board as an Independent Non-Executive Director in 2010 and is consequently no longer considered independent.

Yulia Chekunaeva joined the Board of Directors as a new Independent Non-Executive Director, bringing more than 20 years' experience from capital markets and the natural resources sector, with a focus on ESG. Thus, the composition of the Board is fully in line with the UK Corporate Governance Code, which states that at least half of a board of directors, excluding the chairman, must consist of non-executive directors, who the board considers independent.

[1] The information is valid as of December 31, 2020.

Representation of independent directors on Board committees, 31 December 2020



Remuneration

GRI 102-35, GRI 102-36

Nordgold highly values the contribution of Board of Director members to the performance of the Group and provides fair remuneration to directors for serving on the Board and performing additional duties. Non-executive directors receive an annual fee for their directorship. Additional fees are paid by reference to other Board responsibilities taken on by non-executive directors, for example, membership in a committee or for the chairmanship.

Total remuneration of key management personnel (including executive and non-executive directors, as well as departmental directors) in 2020 amounted to US$ 19.2 million (2019: US$ 13.2 million). It included annual salaries of US$ 6.0 million (2019: US$ 5.8 million), annual bonuses of US$ 4.1 million (2019: US$ 3.8 million), and incentive programme accruals of US$ 9.1 million (2019: US$ 3.6 million).

Remuneration of the highest paid Director in 2020 amounted to US$ 3.9 million (2019: US$ 4.0 million) including annual salary of US$ 1.0 million (2019: US$ 1.0 million), annual bonus of US$ 1.35 million (2019: US$ 1.2 million), incentive programme of US$ 1.4 million (2019: US$ 1.7 million), and benefit allowance of US$ 0.1 million (2019: US$ 0.1 million).

The Board of Directors is committed to remunerating its directors and senior executives in a manner that is market competitive, consistent with best practice, and which promotes the long-term success of the Group. The Remuneration Policy adopted by the Board of Directors ensures a strong performance link to annual and long-term performance targets and shareholder alignment through variable elements, which represents over half of executives' total remuneration.

Total executive remuneration consists of base pay, benefits, an annual performance bonus, and a long-term incentive plan. The largest component of the annual bonus is financial performance; another significant portion is made up by HSE targets (15%). Other individually set targets include operational results, strategic projects, continuous improvement, ESG, and people agenda.

The Board also adopted a long-term incentive plan (LTIP) to align the focus of the executive team and key managers with the creation of shareholder value and to reward sustained improvement in operational performance over a three-year period, with an emphasis on total shareholder returns, as well as to provide a retention element to the executive reward structure. All executive team members, the general directors of business units, and key managers are eligible to participate in the LTIP. Through a Board decision Nordgold can grant LTIP awards to eligible employees, with a total value equal to 75% of their bonus earned for the completed financial year. The first cycle of the LTIP for each participant is in three phases: 20% one year after the grant, 30% in two years, and 50% in three years.

LTIP awards and annual bonuses may be subject to clawback procedures if the Remuneration Committee determines a misstatement or misrepresentation of financial or other data. This right of recovery exists irrespective of whether the participant has been responsible for incorrect financial or other data, or was aware of the inaccuracy, and the decision of the Remuneration Committee of the Board is final and binding. Such recoveries are carried out in accordance with applicable Labour Code provisions.

Sustainability Governance

GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-31

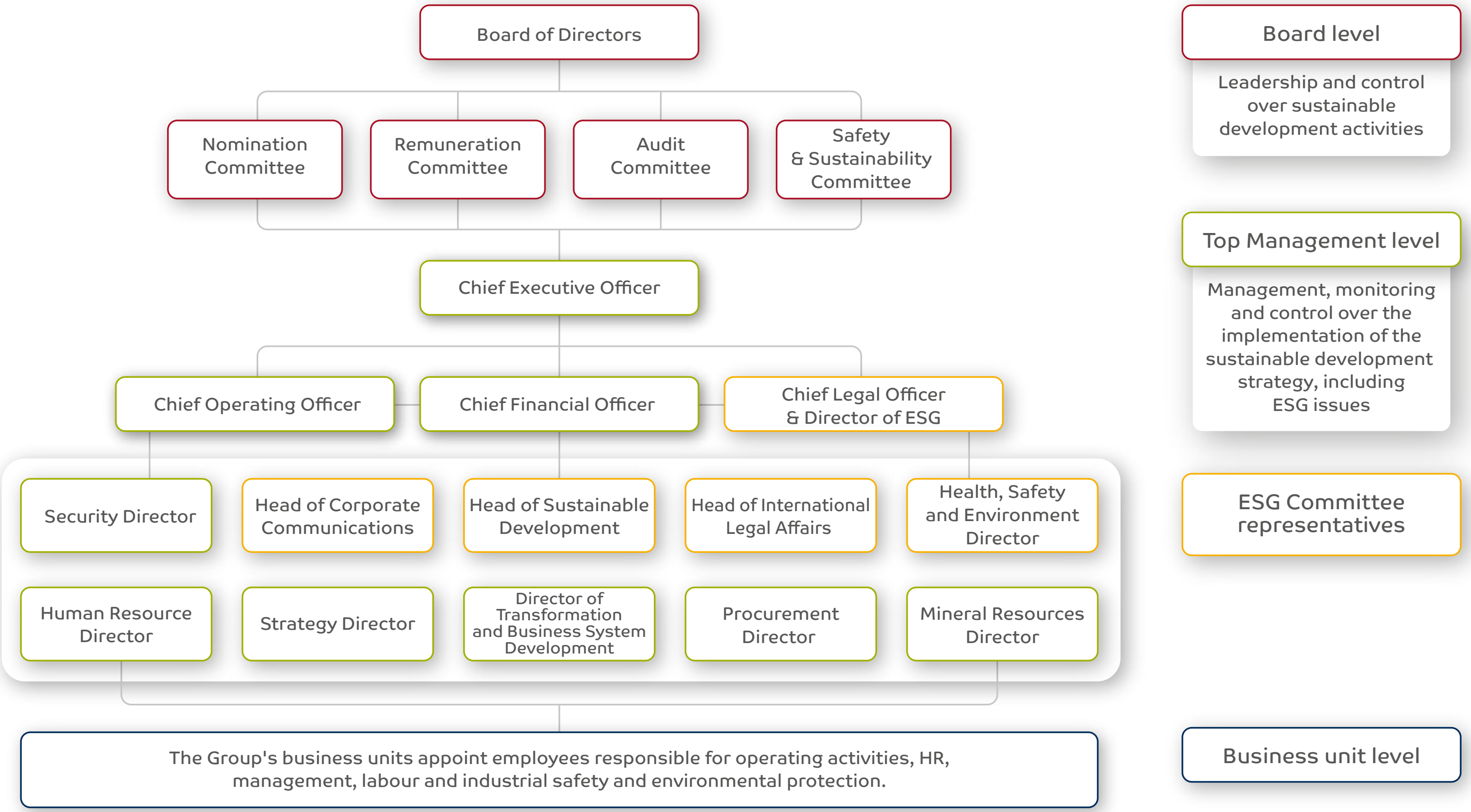
Sustainable development management is integrated into the corporate governance system and distributed between different levels of management.

The Board of Directors and SSD Committee play a key role in managing sustainable development within the Group. The main areas and performance of sustainable development are considered at meetings of the Board and SSD Committee several times a year. Sustainability performance is reported each quarter, which allows the Board to approve and modify next strategic steps.

The Board of Directors promotes the corporate culture as a unified and integrated cultural space that embodies corporate values and drives personnel engagement. The Nordgold corporate culture is underpinned by the corporate strategy, vision, and values, which are documented in the Code of Business Conduct and Ethics.

In 2020 the ESG Committee was created at executive level in order to integrate sustainable development principles into the operations of the Group. The main functions of the committee consist of determining sustainable development objectives and developing the ESG Policy, participation in ESG ratings, and promoting various ESG initiatives across business units. The committee includes heads of functional units involved in resolving various ESG issues. In 2020 the committee held five meetings, which covered considering collated ESG report data, ESG policies, participation in ESG ratings, as well as a number of ESG initiatives, including the Women’s Club and the new corporate website.

Sustainability governance structure



Nordgold has implemented a list of standards and policies regulating the management of various ESG issues. ESG-related policies and standards can be found at our website.

Risk Management

GRI 102-15, GRI 102-29, GRI 102-30

In order to be able to run our business safely and effectively it is essential to have a robust risk management system that is designed to mitigate threats and create opportunities in alignment with our values. Nordgold regularly identifies, evaluates, and manages risks that have the potential to impact our business objectives. The Group's risk management system is designed in accordance with COSO ERM.

The system is governed by the Risk Management Policy and other internal regulations, and also includes risk registers at Group and business unit level, a means of control, and management bodies responsible for its implementation.

The Nordgold risk assessment and management process involves all management levels, including the Board of Directors, the CEO, the heads of business units, the functional directors of the management company, the risk manager, and the Internal Audit Department. The Internal Audit department annually tests the adequacy and effectiveness of internal control procedures over selected risks and promptly communicates identified weaknesses. The Board regularly reviews principal risks and mitigation measures.

Nordgold lays on various trainings for employees, including Risk Management tools for employees responsible for mine planning and resource modelling, as well as Involuntary Resettlement Risk Management training on human rights.

In 2020, as part of the Technical excellence initiative in Mining & Geology functions, Nordgold introduced risk assessment methodology based on the Bow-tie analysis methodology for mining planning and resource modelling. Nordgold conducted internal training for Mineral Resources Management – Mine Technical Resources employees, which covered about 60 people.

Sustainable development risk management is integrated into the overall risk management system. The key sustainability risks included in the key risks register of the Group are described below.

Emerging risks

The major emerging risk is climate change. This may significantly impact mining operations in the regions where we operate or future projects; also, the mining industry could face new emission requirements. Nordgold's specific climate objectives are incorporated into related operational improvement and development programmes. Through these we look for opportunities to reduce CO_2 emissions, water consumption, and waste creation. Essential onsite power generation, which provides both the energy to run our operations and ensures that our employees benefit from safe and comfortable accommodation and amenities, is a significant source of CO_2 emissions, and we are therefore implementing a programme to reduce associated impacts. Read more: Analysis of climate risks.

In future it may be harder for mining companies to obtain social licenses to operate in regions where societies have less tolerance towards mining companies' impacts on the environment and communities.

Other emerging risks include the development of new disruptive technologies or cheaper methods of gold extraction/production than those currently used by the Group, and the emergence of alternative currencies, which may replace gold as a financial asset. As these risks are assessed as being remote, we have not yet taken specific remedial actions, but continue to monitor and review related risks.

Read more: Annual Report 2020 / Risk management principal risks and uncertainties.

In 2021 and the midterm the Group plans to:

- systemise the risk management methodology in the field of HSE
- enlarge management's KPI list, including environmental and community relations indicators

Key sustainability risks

Group of risks	Type of risks	Management response
Health and Safety	• Accidents and injuries. • Fatalities. • Life-threatening diseases.	• Safety trainings for all NG employees. • Development and roll-out of a Corporate HSE Risk system. • Focus on employee behaviour and management leadership. • Leadership and oversight by the Safety and Sustainable Development Committee. • Analysis and investigation of all accidents. • Safety compliance audits. • Safety performance is included in management KPIs. • Malaria prevention measures.
Environmental	• Compliance with environmental regulation, including constantly tightening environmental regulation. • Use of chemicals in gold extraction and production methods.	• Monitoring compliance with regulations. • Internal inspections. • Development and roll-out of a Corporate HSE Risk Management procedure. • HSE data management automation.
	• Incidents at the tailings storage facility. • Geotechnical and water incidents.	• External audits of tailings storage facilities • Internal monitoring • TEX project in Processing with specific focus on TSF (SOP, people evaluation and development, organizational structure review) • Digital solutions for TSF stability monitoring
Community Relations	• Political and social conflicts. • Risk of terrorist attacks. • Non-positive relationships with local communities. • Failure to secure new resources and labour. • Absence of broad support within local communities.	• Community relationship programmes are established and monitored by the senior management at each mine site. • Potential tensions are communicated immediately, both locally and to corporate headquarters. • Constant interaction with the authorities in Burkina Faso and Guinea. • Monitoring the level of terrorist activity in regions of operation.
Legal Compliance	• Compliance with both national and international legislation. • Compliance with international standards related to the use of cyanide, ozone.	• Changes in regulations are monitored frequently. • The Internal Control System is implemented and enhanced in order to ensure compliance with legislation. • Hotline and grievance mechanism.
COVID-19	• Infection of employees. • Supply Chain failures.	Business continuity action plan elaborated and implemented. Main actions include: • COVID-19 testing of staff and contractors, action plans for reacting to positive COVID-19 tests, extended staff rotations, quarantine on arrival, travel limitations, remote work (where applicable), medical checks, disinfection, provision of personal protective equipment and evacuation procedures. • Identification, verification, and replenishment of critical stock (equipment, spare parts, etc); alternative lists of suppliers drawn up; updates to acceptable minimum and maximum stock levels. • Measures to transport gold revised to accommodate travel restrictions. • Scenario planning for temporary production interruptions in the event of outbreaks of the virus on sites.

Ethical Business Conduct and Combatting Corruption

A commitment to ethical business conduct is at the heart of Nordgold's corporate culture. Compliance with ethical rules and norms is a priority area for all employees, and a prerequisite for long-term and productive working relationships with stakeholders. We adhere strictly to the principles of honesty and openness, and carefully monitor the fulfilment of all our obligations to stakeholders.

Nordgold has adopted the Code of Business Conduct and Ethics, Anti-Bribery and Corruption Policy, and Suppliers Code of Conduct, and these reflect the values, principles, standards, and norms embraced by the Group. All policies and standards are available in both the Russian and English languages on the official Nordgold website, and the French version is available to our personnel in West Africa. Regular emails are sent out to staff to remind them about the core values, principles, standards and norms of behaviour. Also, the HR department of Nordgold ensures that all new employees are familiar with the policies and procedures of the Group.

The Code of Business Conduct and Ethics has been designed to endorse and promote Nordgold's commitment to honest and ethical conduct and encourage compliance with applicable laws and governmental rules and regulations, so as to safeguard Nordgold's legitimate business interests and to discourage wrongdoing. It also regulates various issues, including conflicts of interest, a non-discriminatory environment and safe workplace and fair dealing. After joining employees must sign a form to confirm that they are familiar with the Code. GRI 102-16

Nordgold expresses zero tolerance towards all types of corruption and fraud, including bribery, the abuse of power, and commercial bribery. We undertake to combat corruption and stringently comply with all legal requirements in the field of anti-corruption; for example, the UK Bribery Act, the US Foreign Corrupt Practices Act, and legislation aimed at combating corruption and bribery in the countries where we operate.

We have built an effective anti-bribery and anti-corruption management system. Responsibility for overseeing the system is assigned to the Audit Committee under the Board of Directors. As part of a comprehensive anti-bribery and anti-corruption programme, Nordgold has adopted its own Anti-Bribery and Corruption Policy and implements it in all business units. The policy establishes general anti-corruption principles and requirements and regulates related activities on the part of Nordgold's officials, management bodies, and employees. All new employees must familiarise themselves with the requirements of the policy within 45 days after starting work at the Group, and should also complete a related training.

Nordgold has developed a mandatory online anti-corruption policy training course for all employees, as part of the scope of their job responsibilities and the requirements of internal regulatory documents. In 2020, 154 employees completed the online anti-corruption training, including 18 top managers. GRI 205-2

Nordgold's partners are informed about the policy as well as the standards in place for combating corruption, and an anti-corruption clause is contained in all Nordgold contracts. In 2020 the number of business partners informed about the policy totalled 2,176. GRI 205-2

Nordgold adopts a specific approach to identifying, analysing, and assessing corruption-

related risks, and all business units of the Group exposed to these risks undergo mandatory risk assessments. The Group carefully scrutinises the history of counterparties before entering into any engagement, and in contracts a special ABC clause is inserted. In addition, the security service evaluates procurement prices to ensure that they are reasonable. Also, the Internal Audit department as part of its audits performs assessments of corruption-related risks. GRI 205-1

The Code of Business Conduct and Ethics and Anti-Bribery and Corruption Policy contain information about sponsorship and charity assistance. Information about all sponsorship and charity programmes are recorded in a unified centralised register of sponsorship and charity programmes. Gifts received by employees whose value exceeds established limits are also taken into account. Charity and gift registers reflect information on both assistance provided and gifts donated and received. In 2020 no incidents of corruption were recorded. GRI 205-3

We operate in compliance with all respective legal requirements and respect the laws of the countries where we operate. The Group strives to prevent any violations of laws by improving the compliance system, conducting extra risk analysis, and putting in place effective control procedures.

In 2020 the total monetary value of fines for non-compliance with social, environmental, and economic laws and/or regulations stood at US $82,417. Fines were imposed for non-compliance with environmental legislation, violations of customs and labour legislation, and non-compliance with the respective procedures for using land plots. GRI 419-1 GRI 307-1

Our key goals for 2021 are to continue existing practices to reduce corruption risks, promote business ethics, and introduce an additional anti-corruption training. GRI 409-1

Nordgold has introduced a zero-tolerance policy (4th Year Anti-Slavery Statement) towards any form of modern slavery, and shares growing concerns expressed by society and regulators regarding human rights violations of this type in mining companies´ supply chains. We are committed to acting ethically and transparently in all our business dealings, alongside implementing effective systems and controls to comprehensively safeguard against any form of modern slavery taking place within the business.
Read more: Human Rights.

We implement effective systems and controls to protect against the use of any forced labour or any form of human trafficking in our businesses. Within these efforts, Nordgold performs rigorous checks of suppliers and contractors.

Internal communications and receiving feedback

GRI 102-17

Maintaining ongoing, open, and honest communications with all stakeholders is of great importance for Nordgold. An advanced system of communication channels exists in the Group, including:

- a corporate portal for employees
- a corporate printed version and online for employees of the Russian, Kazakh, and African mines (in Russian and French)
- an anonymous corporate Hotline, which operates in three languages
- an HR Hotline
- a mobile news app at our Russian and Kazakh mines
- regular email newsletters and meetings with top management
- negotiations with trade unions regarding collective agreements.

The Hotline is a key tool for receiving feedback. Employees are informed about it through internal documents, including posters and mailings, and external information about the Hotline is available on the official Nordgold website, in the Code of Business Conduct, and Ethics and the Anti-Bribery and Corruption Policy. Also, the Hotline number is included in invitations to tenders. There are two types of hotline in Nordgold: an HR Hotline for reporting employee complaints and a corporate Hotline for reporting any violations of Group policies. Complaints received via the HR Hotline are processed by the HR department of Nordgold, while complaints from the corporate Hotline are directly forwarded to the Board of Directors.

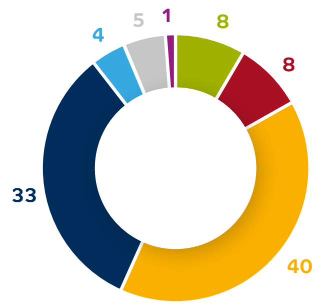
The Hotline enables any employee or contractor to anonymously report any concerns or serious violations. In the event of there being multiple complaints about the same problem, management takes responsibility for overseeing the process until a complete and satisfactory solution is found.

All incoming appeals, recommendations, and concerns are considered by the Ethics Committee. Each employee can also submit an application to this committee. Each application is carefully considered, and the committee then makes a respective decision and a response in writing.

The effectiveness of the Hotline and Ethics Committee is reviewed by the Audit Committee under the Board of Directors.

In 2020 the total number of employee enquiries was 95.

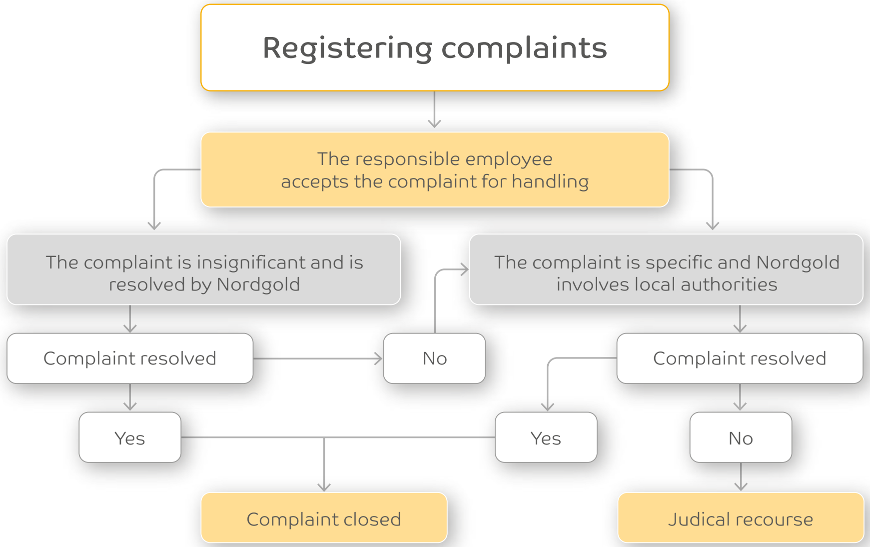
Number of Hotline queries, %



- Request for information / documents
- Remuneration, accruals, bonuses, payments
- Complaints against communication style (manager, colleagues, support functions)
- Social and domestic issues
- Violations of industrial and occupational safety rules
- Suspicion of abuse (fraud, tender procedures violation, theft), documents forgery
- Social benefits and guarantees

Grievance mechanism

GRI MM7



In order to ensure effective and fair interaction with local communities, Nordgold has established an IFC complaint Grievance mechanism adapted to local customs and cultural specifics. The process of receiving, registering, and reviewing a complaint, as well as taking necessary and appropriate measures, is the responsibility of business unit community relations departments. Employees in these divisions handle all verbal and written complaints filed by individuals (or groups of individuals) in relation to the activities Nordgold as well as our employees, contractors, and service providers.

In 2020, the system was unchanged compared to the previous year, apart from some aspects being formalised. Several documents were introduced at corporate level, including a processing method for complaints (this method was previously in place at business units in Africa). Also, Nordgold created a single document that formalises ways to register complaints and determines how complaints should be handled. In 2020, 89 complaints were received by Nordgold mines, of which 84, or 94% were resolved out. Nordgold will work further to maintain the highest possible resolution rate, and a related KPI has been created by the Head of Sustainable Development.

Partnership and participation in national and international initiatives

GRI 102-12, GRI 102-13

Nordgold actively participates and contributes to national and international initiatives, including:

- The UN Global Compact.
- The Board of Trustees for the Subsurface Management Appraisal Association of the Russian-Guinea Intergovernmental Economic, Technological, and Trade Committee.

Russia

- The Association of Builders of the Amur Region (Berezitovy mine).
- The Union of Builders of Yakutia (Neryungri-Metallic).
- The Association BaykalRegionProjekt (Buryatzoloto).
- The Association of Builders of the Republic of Buryatia (Buryatzoloto).

Kazakhstan

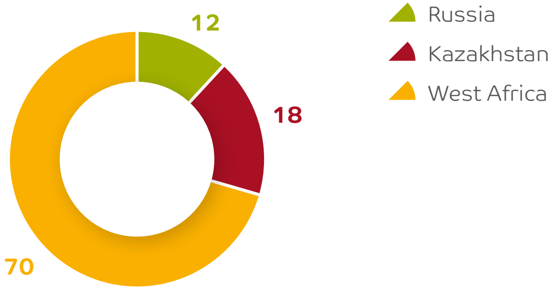
- The National Chamber of Entrepreneurs.
- The Republican Association of Mining and Metallurgical Enterprises.

Nordgold's total contributions to national and international initiatives stood at **US $134,038** in 2020, with the highest share in West African initiatives.

West Africa

- The National Chamber of Mines (Lefa mine).
- The Prefectural Development Council, CPD (Lefa mine).
- The Local Development Fund, FODEL (Lefa mine).
- The Employers' Confederation of Enterprises of Guinea, CPEG (Lefa mine).
- The Chamber of Mines of Burkina Faso (Taparko, Bissa, and Lefa mines).
- Extractive Industries Transparency Initiative ITIE (Taparko, Bissa, and Lefa mines).
- The Namentenga province consultative framework (Taparko mine).
- The Yalgo, Bouroum, Nagbingou, Coalla, Manni commune consultative framework (Taparko mine).
- The Lagmè Zilma Association (Namentenga) (Taparko mine).
- The Sabce, Mane, Guibare, Zitenga, Korsimoro commune consultative framework (Bissa mine).
- Member of the Steering Committee of the Extractive Industries Transparency Initiative (EITI) (Bissa mine).
- The Kongoussi province consultative framework of Bam (Bissa mine). GRI 102-13

Share of contributions in initiatives by countries, %



Nordgold does not participate in politics, and does not support any political parties or contribute to political campaigns. The Code of Business Conduct and Ethics of Nordgold explicitly prohibits any kind of political engagement on the part of Nordgold.
GRI 415-1

Innovation and Digitalisation

Since 2012 Nordgold has been actively implementing various transformation programmes targeted at safety and operational efficiency improvements, cost reduction, the implementation of best practices and standards, and enhancing employee engagement in continuous improvement processes. An important part of the transformation journey relates to the implementation of innovations and digital solutions that support our ambitious targets and allow us to operate safely and more responsibly.

We structure the innovation programme into two distinct parts:

- Innovation projects, with a focus on testing and implementing new technologies, such as the automation of mining and processing equipment, the deployment and upgrades to fleet management, and SCADA systems.
- A digitalisation programme, targeting at using data and analytics to boost the safety and efficiency of operations, such as robotic process automation, computer vision, big data, dashboards, and implementing integrated IT solutions.

Innovation projects

The main objectives of innovation projects at Nordgold are safety improvements, efficiency improvements, cost reduction, and minimising the human factor through automation.
A prime example is the implementation of the Wenco mining fleet dispatch system across several Nordgold operations: Lefa (2013), Bissa-Bouly (2018) and Gross-Taborny (2020). The system allows the automatic tracking of geolocations and the status of heavy mining equipment, such as dump trucks, excavators, and drill rigs. The implementation improved safety in open-pit operations and optimised equipment utilisation and productivity, which allows the mining process to be organised and controlled with great efficiency and with minimum impacts to the environment.

Another example is fuel management systems, which are currently being implemented both at West African and Russian operations. Fuel costs constitute 20% of operational costs and contribute to a significant portion of carbon emissions. Tracking fuel dispensing in real time using RFID technology allows fuel usage to be monitored and reduced by identifying and timely maintaining equipment with higher burn rates, and also improves the physical security fuel.

TSF and dwellings count

Key safety and environmental protection projects designed in 2020

Project description	Mine	Effect
Mobile app to register unsafe conditions, unsafe actions, and near misses	All Nordgold mines	Rapid responses to identified risks
Automatic control system for emissions of pollutants into the environment	Suzdal mine	Compliance with legal requirements, increased emission controls
Using satellites to monitor illegal miners	Lefa mine	Monitoring illegal miners and safety and environmental risks at mines

Hot cyanidation technology

Hot cyanidation technology (HiTeCC — High Temperature Caustic Conditioning) is used to extract gold from mining waste. The technology was introduced in 2016 at the Suzdal mine, and the Group became the second enterprise in the world to launch the industrial operation of production using this innovative technology. The technology boosts the gold recovery rate from double refractory ores and improves the processing of both current ore supplied to the entrance of metallurgical plants and previous production waste from prior periods.

The technology has allowed the Group to generate additional revenue from increased gold production (in 2020 approximately an extra 12 thousand ounces of gold was produced).

Training centre in West Africa

In 2020 Nordgold established and launched the West Africa Training Centre, located near the Lefa mine in Guinea. This centre will further develop the technical skills of Nordgold's 1,300-strong workforce based in the region.

In 2020 Nordgold also equipped its new West Africa Training Centre, located near the Lefa mine in Guinea, with a CYBERMINE Full-Mission Simulator, which cost approximately US $800 thousand. This technology was developed by the ThoroughTec Simulation company, which has over 25 years' experience in technology-based training solutions. The simulator is a training tool for mining fleet operators that improves skills in the area of the safe the safe and efficient manipulation of modern mining equipment, and includes a learning platform and Surface Excavator Simulator Cab.

The CYBERMINE Full-Mission Simulator is a high-fidelity system that simulates driving a real vehicle in an actual mine, with authentic visual, auditory, and tactile feedback. Instructors are able to configure training scenarios to specific work situations encountered at individual mine sites.

The centre's facilities also include a maintenance workshop covering 24 different types of equipment (engines, brake systems, etc.) and a welding section, which enable the whole workforce to further enhance the skillsets that are unique to their individual roles.

Digitalisation programme

Digitalisation focuses primarily on using data for data-driven decision making, including the implementation of various tools ranging from robotic process automation to the implementation of advanced analytical instruments. The main reason for embracing digitalisation is to improve the collection and use of production data and to enhance the speed and quality of decision-making within key Group functions. Hence Nordgold has integrated a single strategic platform for financial planning, forecasting, management analysis, production scenario analysis, and benchmarking based on IBM Analytics. The main goal of deploying this platform is the acceleration and improvement of business processes and analysis.

Nordgold has also implemented robotisation capabilities, which are used in production closure procedures and in the preparation of reports at mines. One result achieved here is that a four-day process involving a large number of specialists can now be performed within three hours. Robotisation has been successfully implemented at the Gross, Taborny, Bissa and Bouly mines and is being prepared for launch at the Lefa and Suzdal mines.

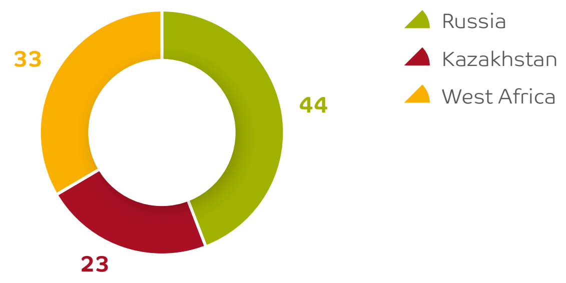
Nordgold has structured initiatives within a digitalisation programme, which comprises:

- baseline systems for data collection
- a production data storage system
- low-code platforms for mobile apps
- developing dashboards
- big data tools with satellite imagery

Dashboard development

Dashboards are an excellent tool used in report visualisation and in daily reporting. They are mainly developed in a team comprising a production manager, project manager, and external contractor. The main objective of the tool is the automation of high-quality analytics and improving the effectiveness of business processes. At Nordgold dashboards are actively used in safety, environment, economic security, and maintenance.

Volume of investment in innovative projects by countries, %



Low-code platforms for mobile apps

Low-code platforms for mobile apps allow a quick and effective approach to prototyping. The main advantage afforded by the apps is an option to rapidly test usability in actual mine site conditions, including all challenges faced. Also, the apps utilise free-of-charge existing platforms, such as SharePoint and PowerApps, and do not require any engineering background to operate.

Nordgold earmarks a sufficient level of funds for the development of innovative technologies and projects. In 2020 we invested a total of around US $1.6m in various related projects.

Nordgold plans to develop such areas as self-service analytics and digital skills, advanced analytical projects, and quality infrastructure. In this connection we elaborated a respective digital transformation journey roadmap.

Digitalisation programme roadmap

Goal	Estimated years of realisation	Result
Automation of “reactive” use of data: • Digitise basic production data. • Automate all reporting at key mines.	2—3 years	Efficiency gains via automated reporting and dashboards analysis.
“Proactive” use of data • Collect additional datasets. • Start using advanced analytics.	3—5 years	Unlocking the value of large datasets and generating new cost/productivity efficiencies.
Centralisation and automation • Remote operating centres. • Automation and Artificial Intelligence	5—10 years	Centralised and automated production, zero human interference

3

The Environment and Climate Change

The Environment

2020 highlights

- Environmental policy updated
- Biodiversity statement created
- Elaboration of the Nordgold Guidance on Handling Hazardous Materials
- Nordgold rose to 12th position in the WWF's annual transparency rankings
- **70%** increase in volume of recycled waste
- **5%** drop in air pollution emissions
- **18.4%**[1] Domestic wastewater disposal reduced
- **75 ha** of trees planted
- **7%** Expenditure on environmental protection activities rose

[1] Russia and Kazakhstan mines.

In this section

- Environmental Stewardship
- Responsible Water Use
- Waste Managment
- Land Resources and Biodiversity
- Use of Dangerous Substances
- Emissions
- Performance and Plans

Global Sustainable Development Goals

Environmental Stewardship

Our commitments

The principles of sustainable development have been at the heart of the business philosophy of Nordgold since its foundation. Our mission is to create sustainable value for all our stakeholders by being responsible stewards of the environment, trusted partners to our host countries and communities, and complying with the highest applicable corporate governance standards.

We implement a variety of initiatives to protect the environment in each of the countries where we operate. Our goal is to minimise environmental impact of our operations. We look to continuously improve our processes and equipment, thereby leading to enhanced environmental performance and risk management.

Our commitments:

- Sustainable development in accordance with environmental commitments.
- Risk identification and management.
- Compliance with environmental regulations.
- Continuous improvement of the environmental management system.
- Integration of environmental aspects into all stages of operations.
- A high level of environmental awareness.
- Preserve biodiversity and avoid operations in highly sensitive areas.
- Incident reporting and data transparency.
- Reduce greenhouse gases (GHG) and non-GHG emissions.
- Reduce our waste generation.
- Reduce effluent and water discharges.

We build and foster a shared, companywide culture of responsible environmental stewardship that will enable the Group to minimise negative environmental impacts and become the leader in this field among gold mining companies.

Nordgold's sustainability objectives are incorporated into related operational improvement and development programmes. Through these, the Group seeks opportunities to reduce GHG emissions, water consumption, and waste creation.

Environmental management

Nordgold is focused on exploiting resources in a responsible manner and strives to minimise environmental impacts in all our operations. Appropriate environmental protection practices are employed at every stage of exploration, design, construction, operations, and mine closure. Across Nordgold we regularly monitor our environmental performance through inspections, reviews, and audits to ensure that environmental risks are identified and addressed, in order to minimise environmental impacts.

We are continuously improving our environmental management system to strengthen our environmental performance. Nordgold's Integrated Health, Safety and Environment Management System (HSEMS) is implemented at all business units of the Group and provides a consistent and holistic approach to environmental safety management in all business units.

100% of our assets have adopted the HSEMS

[1] Incidents with high potential material impact.

The Board of Directors takes environmental issues very seriously. In this connection the Board set up the Safety and Sustainable Development Committee, which reports to the Board on a quarterly basis.

We empower our managers and supervisors and provide the necessary resources to achieve established targets and to promote environmental initiatives. Responsibility for planning and implementing environmental measures is allocated among environmental specialists at mines, heads of divisions and business units, and managers of Nordgold headquarters.

Nordgold employees and contractors comply with all the Group's environmental commitments. We continually communicate our environmental policies and procedures to our personnel and suppliers. Training and motivating our people to exercise environmentally responsible behaviour is an integral part of our human resources development strategy.

Nordgold's environmental KPIs:

- Circulating water rate
- Fresh water intake
- CO_2-eq direct emissions
- Cyanide consumption
- Lands
- Incidents that harm the environment
- Environmental HIPO[1]

Environmental policies and procedures

Becoming a more sustainable business and minimising our overall environmental impact is a priority for all of us. As well as adhering to stringent international standards and state and regional environmental legislation, we elaborate and implement rigorous internal policies and procedures to guide our planning and operations in an environmentally responsible manner.

We have adopted the new Nordgold Suppliers Code of Conduct, which requires our partners to comply with all applicable laws as well as Nordgold's policies and procedures. In 2020 the Suppliers Code of Conduct became an integral part of all Nordgold contracts. In addition, environmental provisions are incorporated into all contracts with suppliers.

We also initiated the elaboration of Standard Operating Procedures for tailings and water storage facilities, based on the Global Industry Standard on Tailings Management from the UN, ICMM, and PRI, which are planned to be implemented in 2021.

Continuous improvement in this field is a key part of our Business System: we believe that excellent environmental standards and operational efficiency go hand in hand.

In 2020 we updated and implemented a set of core internal environmental regulations[1], including:

- The Environmental policy.
- The Statement of Biodiversity Commitment.
- The Nordgold Environmental Incident Classification Standard.
- The Nordgold Guidance on Handling Hazardous Materials.
- The Nordgold Classifier of Environmental Incidents.

ENVIRONMENTAL POLICY

nordgold more than gold

Our position

Responsible environmental stewardship in the communities where we operate is a topmost priority for Nordgold Group. Continuous improvement in this field is at the core of multiple comprehensive programs incorporated into the Company's Business System. We believe that excellent environmental standards are an integral part of our commitment to Nordgold's sustainable development.

We build and foster a shared, company-wide culture of responsible environmental stewardship which will enable the Company to minimize negative environmental impact and become the leader in this field among gold mining companies.

Our commitments

- **Sustainable development in accordance with environmental commitments**
  Environmental issues are considered in goal setting process and form an integral part of all managerial decision making.
- **Risk identification and management**
  Within the framework of an effective risk management process underlying Nordgold's environmental management system, our employees work to identify potential environmental hazards and mitigate related risks, which is reported before the work is undertaken.
- **Compliance with environmental regulations**
  The Company is committed to comply with all applicable environmental laws and regulations and aims at adhering to best in class industry standards and practices to ensure environmental protection and prevent pollution.
- **Continuous improvement of the environmental management system**
  As part of the Nordgold Business System, we continuously improving our environmental management system to strengthen our environmental performance. We empower our managers and supervisors and provide the resources necessary to achieve the set targets and promote environmental initiatives. The Company funds various environmental programs to ensure sustainable development.
- **Integration of environmental aspects into every stage of our operations**
  Relevant environmental protection practices are used at every stage of exploration, design, construction, operations and mine closure. Each stage is considered individually as well as in combination with other stages which allows to accumulate data and find optimal solutions to mitigate environmental risks.
- **High level of environmental awareness**
  Nordgold employees and contractors abide by the Company's environmental commitments. Training and motivating people to exercise environmentally responsible behavior form part of our human resources development strategy. We work with government authorities, communities, environmental groups and other stakeholders to develop a mutual understanding of environmental issues.
- **Preservation of biodiversity**
  We strive to ensure preservation of habitats and biodiversity in the areas where we operate.
- **Incident reporting and data transparency**
  Any and all environmental incidents, irrespective of their severity and consequences, must be reported. All environmental data will be made available to respective stakeholders.

Any activity in violation of the Company's environmental commitments is unacceptable!

Chief Executive Officer
Nikolai Zelenski

August 2020

Nord Gold SE
www.nordgold.com

The Group improved its WWF annual transparency ranking

Nordgold rose to 12th position in 2020, up from 14th in 2019. The annual rating reflects the openness and transparency of environmental information provided by Russia's mining and metals companies.

40 Russian companies participated in the WWF assessment. The final position in the rating is determined by assessing companies across three categories:

- environmental management,
- environmental impacts,
- and disclosure of information.

[1] https://nordgold.com/sustainable-development/reports-and-policies/

Responsible Water Use

Water management

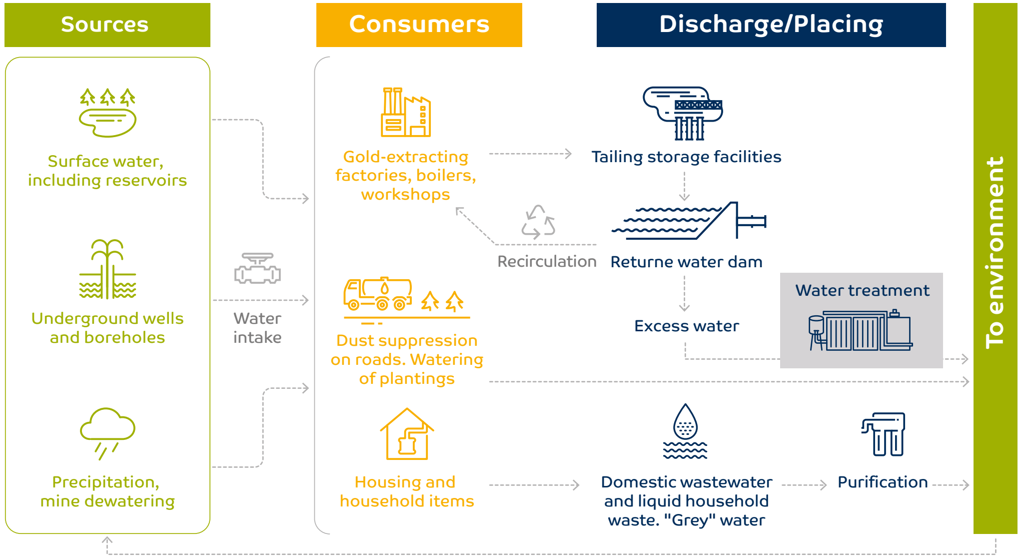
Water is both one of the main resources for our industry and an important consideration in environmental protection. It is vital for the Group's operations and is widely used in ore processing, dust suppression, and rock drilling activities.

Water availability is thoroughly reviewed for all new projects, in terms of both access and environmental protection. We use a circulation water system at all our mines to process water, and do not discharge processed water into natural water bodies. Instead, we recycle water from our tailings facilities back into our gold processing plants. Clean fresh water is only used to compensate for evaporated water; also, we use intake water for dust suppression and domestic use.

The use of water is closely monitored at all operations against environmental performance KPIs, which are established for each business unit. Data are collected routinely and reported to the Board on a quarterly basis. In case of significant deviations from present water metrics, such as an increase in water withdrawal or a decline in recycled water use, necessary management measures are elaborated by a group of experts and implemented by business units. In 2020 all deviations were associated with production processes (e.g. introduction of new production processes, increase in production volumes, etc.)

The residual cyanide content in wastewater/sludge is monitored through daily sampling. Territories adjacent to tailing dumps are constantly monitored. GRI 303-2

Water use in Nordgold operations



Water consumption

The main sources of water intake for the Group's mines are underground wells, as well as surface water, including reservoirs. Since water is vital for the Group's operations and is used intensively in ore processing, dust suppression, and rock drilling activities, its use is closely monitored at all business units and conservation opportunities are actively pursued, including the circulation of process water at industrial operations.

All Nordgold mines use recycled water, which circulates repeatedly in a closed system. Its application in technological processes allows us to reduce withdrawal volumes of natural water, prevent its pollution, and reduce the consumption of chemical reagents.

In 2020, 85% of the water used in the Group's operations was recycled, compared to 84% in 2019. The Group achieved a 92% share of reusable and reused water at operations in Russia and Kazakhstan, and for business units in African countries the figure was 78%. The difference can be explained by dust suppression, high evaporation rates, and the different technology used. West Africa predominantly uses CIL[1] operations (64% of ore processed); all CIL tailings retain up to 30% more moisture, while the tailings storage facility (TSF) is active and generally has a higher evaporation rate from surface water. Climate also plays a part: African summers are much longer than the comparatively short Russian summer season (especially in Siberia). In 2020 our water intensity per revenue was 0.006 m^3, which represents an uninterrupted decline since 2018, by 33%. GRI 303-3

According to the World Resource Institute, the only high-risk water-stressed country where Nordgold has operations is Burkina Faso. To address this, our Bissa and Bouly mines built the Tiben water reservoir, which ensures a sustainable water supply and also serves the needs of local communities. GRI 303-1

Water withdrawal from the Tiben and Yalgo reservoirs (operated by Taparko) has a significant impact on agricultural activities. The water use system used during the dry period in these territories is subject to negotiations with local communities. GRI 303-5

Water disposal

In 2020 at Russia and Kazakhstan mines the Group achieved an 18.4% reduction in domestic wastewater disposal compared to 2019. In the reporting period this amounted to 161 thousand cubic metres.

All discharged water is processed by local treatment facilities before being disposed of. Certified laboratories monitor water quality and effluent water treatment efficiency to ensure that impacts remain within acceptable limits. Also, all mines are equipped with observation wells to assess the potential impact of production facilities on groundwater. Monitoring is carried out on a regular basis. GRI 303-4

In addition to domestic wastewater, mines generate pit and mine water. Nordgold is continually making efforts to improve the quality of its water discharges, and if pit and mine water does not go through circulating water supply systems it is treated before being discharged.

[1] Carbon-in-leach (CIL) gold recovery processes.

Waste Management

Waste management is a major concern for the Group, due to the nature of production processes at gold-mining enterprises. When disposing of waste, we either organise environmentally safe decontamination and disposal, or transfer it to specialised companies.

Waste generation is an unavoidable part of the production process. In 2020 the total volume of class I-V waste stood at 84,000[1] thousand tonnes. GRI 306-3 Nordgold's most significant waste category in terms of volume is rocks. These include mined, overburden, and empty rocks, as well as ore waste after gold extraction. Treated ore is earmarked for disposal at tailing storage facilities (TSF) or waste dams (if the heap leaching process is used).

Waste recycling and reuse

Nordgold is continually improving its processes, implementing new technologies, and looking for other recycle and reuse opportunities, with a view to minimising waste.

70% increase in volume of recycled waste vs 2019

The Group recovered and neutralised 602[2] tonnes of waste (classes 1 to 5) in 2020 GRI 306-4. Nordgold uses rocks in road construction and in the backfilling of cavities in mines. Waste such as used mercury vapour lamps, scrap metal, technical rubber products, and used batteries are transferred to third parties for recycling, while oil waste is reused at business units. GRI 306-2

We implement innovative technologies to facilitate the efficient use of natural resources, one of which is the HiTeCC (high-temperature caustic conditioning) process. This sustainable technology has been successfully used at the Suzdal mine. HiTeCC is an efficient, robust, and cost-efficient method to extract gold from preg-robbing ores or historical process tails that would otherwise not have been technically possible or economically feasible. At the Suzdal mine the HiTeCC technology allows the extraction of 20-50% of gold from process tailings. GRI 306-2

In 2020 the Suzdal HiTeCC plant processed 120 thousand tonnes of material (86 thousand tonnes were current tailings and 34 thousand tonnes comprised tailings from previous periods) and produced around 12 thousand ounces of gold.

Nordgold's Bissa mine in Burkina Faso took an important step in 2020 to reduce plastic waste. The mine will continue to provide its staff with free potable water, which employees could fill with their own bottles at an onsite water station. This measure will reduce the number of plastic bottles produced a year by around 360,000, equal to almost 12 tonnes of plastic waste a year. In addition, the mine will create a potable water supply line that serves all key areas of the mining site. A Bissa team performs round-the-clock water quality monitoring, thus ensuring that drinking water is always safe for staff. Water is potable and safe in the base camp and in office buildings. GRI 306-2

Management of tailings storage facilities

Tailings are an unavoidable by-product of the gold mining process. Nordgold pays special attention to tailings safety, and deploys Group-wide processes to inspect, test, and monitor the status of tailings storage facilities (TSF).

In order to align with the best industry practices and the Global Industry Standard on Tailings Management, we elaborated new Standard Operating Procedures (SOP) for TSF, including provisions for emergency preparedness and robust TSF management. TSF SOP complies with ICMM standards. In 2021 we plan to introduce TSF SOP at all tailing facilities.

The condition of TSF and the quality of surface and underground water are monitored by the mine's metallurgy teams on a regular basis. All facilities are inspected daily by designated employees onsite and their observations are recorded daily in the TSF logbook. Once a year TSF are independently audited by external experts, who produce a report containing their findings and recommendations. Unfortunately, due to COVID-19 restrictions, some external audits were not performed in 2020; however, they are planned to resume in 2021.

The Group operates TSF at the following mines[3]:

- Berezitovy,
- Bissa,
- Irokinda,
- Zun-Holba,
- Lefa,
- Suzdal,
- and Taparko.

There were no leakages from TSF at the Group's mines in 2020. A dam break analysis was conducted for all West African TSF to identify communities that potentially could be affected in the event of a dam failure. Almost all Nordgold's TSF are in remote areas situated far from human settlements, and in cases where the dam break analysis identified communities that potentially could be impacted, investigations were launched to resettle the communities outside the affected area. The Lefa Tambico TSF is one such example: due to the proximity of the Tambico village, it was decided to resettle the community (to be completed by the end of 2021). In case of a dam breach, water will now flow towards the abandoned Banko pit.

In 2021 Lefa launched the satellite monitoring of the TSF. Lefa's new monitoring system uses satellite imagery processing algorithms to keep track of the condition of the mine's tailings storage facilities, in order to proactively identify potential risks.

[1] Russia and Kazakhstan mines
[2] Russia and Kazakhstan mines
[3] Additional information is provided in datapack at Waste Facilities page

The Group continually improves its tailings facilities and maintains their safety. All maintenance work at TSF, including routine servicing and planned repairs, are performed in accordance with respective designs and if required under independent supervision and quality control. Examples include:

- Completed the design and commenced construction of the Lefa TSF 1 Banko wall.
- Completed the design and permit obtaining process for Lefa TSF 2 (WTSF).
- Completed the design and commenced construction of Bissa TSF 1 to the final design height.
- Completed the design and permit obtaining process and began construction of Bissa TSF 2.
- Completed the design and commenced construction of Taparko TSF 6B.
- Completed the design of TSF 2 and TSF 3 & 4 design at Irokinda.

TSF designs are aimed at minimising environmental risks and impacts, by using best practices to reduce the risk of seepage or uncontrolled outflows. Nordgold seeks to introduce technologies that increase water recycling and reuse. At the Berezitovy mine tailings are filtered, while at Suzdal we have introduced the ASTER™ technology to treat cyanide tailings water for reuse in the flotation section. This technology provides a safe, efficient, and environmentally responsible alternative to the conventional cyanide destruction process and increases water reuse.

Land Resources and Biodiversity

We endeavour to minimise our environmental impacts on biodiversity. A biodiversity survey forms part of environmental impact studies at early stages of project development. Biological resources are closely monitored at all operations, and our mines are not located in proximity to known protected or sensitive biodiverse areas. GRI 304-1

Mine site rehabilitation

Reclaiming disturbed land is an integral part of our environment protection activities. In order to minimise impacts on local biodiversity, Nordgold strives to optimise the use of land resources, protect landscapes, and use local soil for mined-land reclamation. GRI 304-2

Mine reclamation planning takes place during the early stages of each project. Each business unit has a rehabilitation plan that outlines sustainable or community projects that are planned for delivery on their respective territory. This is periodically monitored by the Board. Finance and operational teams from the mine and the Safety and Sustainable Development Committee are responsible for developing, executing, monitoring, and reporting on progress on rehabilitation plans. These plans are incorporated into strategic business plans, mine operating plans, and the annual budget. In 2020, 8 hectares of disturbed land were rehabilitated.

Greenery projects GRI 304-1

Each year we plant thousands of trees, shrubs, and other forms of vegetation in African operating areas. In 2021 we plan to continue with this initiative, and plan to plant over 100 hectares of vegetation in Yakutia.

75 ha of annual forestation campaign

Forestation is one of Nordgold's environmental programmes that is guided by UN Sustainable Development Goals to help combat climate change in the countries where we operate. In addition, Nordgold supports the development of artificial forests as a means of working with local communities to deliver tangible change.

Every year Nordgold plants thousands of trees — and not just to help tackle climate change. By planting fruit trees we create opportunities for local communities to generate additional income in a sustainable way.

We also supported a community forest initiative in the province of Oubritenga in Burkina Faso. The project will offer a range of both social and environmental benefits, including helping to improve household living standards in five villages and saving rare plant species and promoting the natural regeneration of local species. In order to create a forest containing fruit trees covering more than three hectares, the Bissa mine provided the Provincial Directorate for the Environment of Oubritenga with necessary equipment, worth CFA 25,000,000 (US$ 50,000). A project management committee will be set up and trained by Nordgold's environmental technical services team to further support the preservation, safeguarding, and marketing of forest products.

Land reclamation and landscape restoration results in 2020:

- **66.7ha** at Berezitovy mine
- **2.45 ha** at Taparko mine
- **5.5 ha** at Lefa mine

Biodiversity projects

We run a range of programmes to preserve biodiversity and conserve wildlife. GRI 304-3

Since 2017 the Irkutsk Snow Leopard Foundation has been studying the population of the snow leopard: a rare mammal from the cat family that life in hard-to-reach mountain ranges. This species is listed as endangered in the Red Book of the Russian Federation. Nordgold supports this project by providing funds for expeditions, research, and essential equipment. The Irkutsk Snow Leopard Foundation conducts regular monitoring of the mountain fauna of the Eastern Sayan. Since 2019 the territory of the study has been expanded and other animals in Eastern Sayan have been included in the study. Nordgold also funded the development of a permanent research base in Eastern Sayan.

For over 10 years we have been implementing environmental protection measures in Yakutia. In 2020, as part of this ongoing initiative, the Taborny and Gross mines released over 400 thousand peled fry into the Vilyui reservoir. The release of juvenile fish is supervised by the Federal Agency for Fisheries. Special conditions are created for peled fry by taking water only from the Vilyui reservoir. Thus the natural environment of the fish does not change after their release into the reservoir.

In 2020 the Berezitovy mine in the Amur Region of Russia elaborated a new set of measures to protect birds at potential risk from the mine's hydraulic facilities. These included installing ultrasonic and visual deterrent devices. An environmental impact assessment of the mine determined that at least 20 bird species were living around nearby lakes, rivers, and forests.

Use of Dangerous Substances

Handling hazardous substances and materials are key issues within safe and lean production. Nordgold operations require the use of flammable and explosive substances, oxidising and corrosive substances, and poisons. The environmental security of the Group's fuel and chemical storage facilities and fuel and chemical handling practices conform to environmental legislation and industry best practices.

Within cyanide management the Group strives to align its activities with the requirements of the Cyanide Management Code. For dangerous emissions from Nordgold's Russia and Kazakhstan mines we adhere to Russia and Kazakhstan and national regulations that were developed to implement the Stockholm Convention on Persistent Organic Pollutants. Taking environmental and safety issues very seriously in 2020, the Group elaborated and adopted the Nordgold Guidance on Handling Hazardous Materials. This new document includes a cyanide application guide for activities related to operations that use this substance.

Industrial and environmental safety is monitored by Nordgold's Integrated Health, Safety and Environment Management System (HSEMS). Nordgold's business units develop preventative measures when handling chemical products, strive to replace hazardous chemicals with less hazardous ones, and train employees in the safe handling of chemical products. In 2020 there were no environmental incidents related to the handling of hazardous substances.

When dealing with hazardous substances and materials, Nordgold's business units ensure that necessary preventative consumer and transport labelling is in place. The production and consumer labelling of chemical products consists of the following information:

- Title.
- Danger signs.
- Brief description of the hazard.

Cyanide consumption in 2020 rose by 6% compared to 2019, and stood at 17,346.6 tonnes. Being focused on the rational use of hazardous substances, we keep working on implementing new technologies and IT systems. For example, the Automated Systems for Budgeting and Consumption Control and Stocks Optimisation system at Berezitovy, Bissa, and Taborny will reduce cyanide consumption by 10%.

Activities covered by the Nordgold Guidance on Handling Hazardous Materials

Production	Encourage responsible cyanide manufacturing by purchasing from manufacturers that operate in a safe and environmentally protective manner.
Transportation	Protect communities and the environment during the transport of cyanide.
Handling and storage	Protect workers and the environment during cyanide handling and storage.
Operations	Manage cyanide process solutions and waste streams to protect human health and the environment.
Decommissioning	Protect communities and the environment from cyanide by elaborating and implementing decommissioning plans for cyanide facilities.
Worker safety	Protect workers' health and safety from exposure to cyanide.
Emergency response	Protect communities and the environment by elaborating emergency response strategies and capabilities.
Training	Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.
Dialogue	Engage in public consultations and make respective disclosures.

Emissions

Nordgold has implemented systems to measure and monitor emissions in accordance with national regulatory requirements. Our ore-processing installations are supplied with air cleaning equipment, including aspiration systems and battery cyclones. To suppress dust levels, Nordgold waters mine roads and uses sprinklers in crushers. Particularly high levels of dusting occur in African mines during the dry season (they are close to the Sahara Desert). Dust suppression increases the water intake. This is a challenge that the Group faces each year and we invest significant efforts to address it.

5% drop in air pollution emissions in 2020[1]

Other sources of atmospheric air pollution include emissions from thermal power plants and boilers, equipment operation at gold-extracting factories, mining, and motor vehicles. Nordgold measures and monitors the emission of pollutants in accordance with applicable environmental legislation. The Group minimises impacts on atmospheric air by using road irrigation and dust suppression systems in our ore-grinding equipment and gas cleaning systems. In 2020 the volume of significant emissions from Nordgold's operations was down 5% compared to 2019, and stood at 9.19 thousand tonnes[2]. GRI 305-7

We are always searching for the best available technologies and are keen to implement new technologies to ensure the environmental safety of our operations. One such solution is pollution control systems. In 2020 we constructed an Automated System for Air Pollution Detection and Control at the Suzdal mine. The system is planned to be commissioned in 2021.

[1] Russia and Kazakhstan mines.
[2] Russia and Kazakhstan mines under environmental permits

Performance and Plans

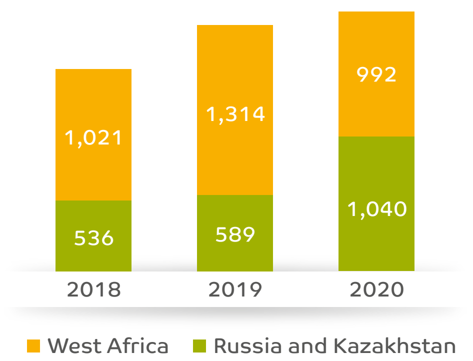
In the reporting period we did our utmost to improve the performance of our Integrated Health, Safety and Environment Management System and to reduce our environmental impacts. Investments in environmental protection measures in 2020 increased by 7% and amounted at 2,032 thousand USD.

All these efforts resulted in some important achievements, including a 32% rise in the water volume in circulating water supply systems, a 18.4% reduction in domestic wastewater disposal at Russia and Kazakhstan mines, a 70% rise in the recycled waste volume, and a 5% decline in air emissions.

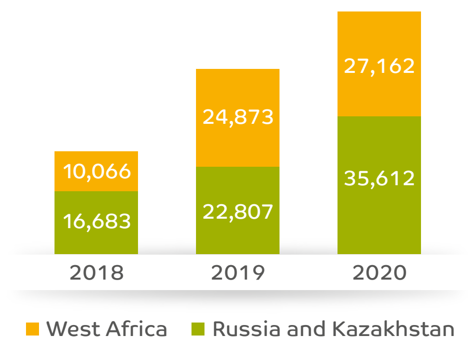
Key events planned for 2021 and the midterm include the following:

- Preparing for ISO 14001/45001 certification.
- Obtaining an ESG-linked loan.
- Elaborating a corporate biodiversity standard.
- Elaborating and implementing a biomonitoring plan (Gross, Taborny, Tokkinsky).
- Elaborating a biodiversity map of Gross region.
- Upgrading bird-scaring devices at Berezitovy.
- Elaborating environmental monitoring programmes.
- Developing independent environmental studies outside the monitoring programme.
- Elaborating a register of environmental licenses and permits and compliance plan.
- Developing an environmental risk assessment methodology.
- Elaborating an environmental risk register.
- Pre-design and design works for the construction of water treatment facilities at Suzdal.
- Modernising treatment facilities for household wastewater at Berezitovy.
- Modernising existing sewage treatment facilities at Suzdal.

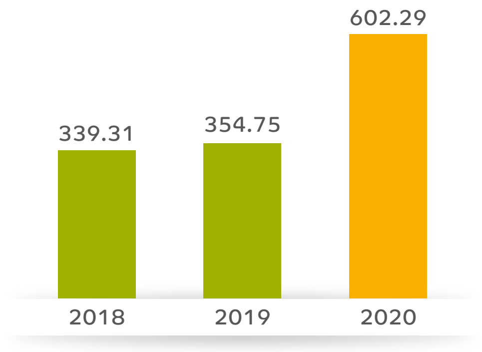
Expenditure on environmental protection activities, thousand USD



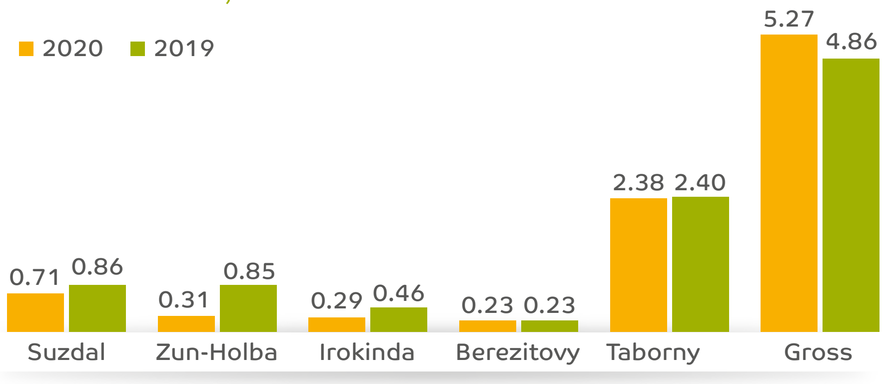
Water volume in circulating water supply systems, thousand m³



Total volume of waste recycled, Russia and Kazakhstan mines, thousand tonnes



Total air emissions, Russia and Kazakhstan mines, thousand tonnes



Climate Change and the Rational use of Energy

2020 highlights

- A new approach and strategy for estimating and reducing greenhouse gas emissions.
- A new methodology introduced to measure greenhouse gas emissions (Scope 1 and Scope 2).
- **1.75%** reduction in carbon intensity.
- **35%** of purchased energy from renewable energy sources.

In this section

- Climate Change
- Rational use of Energy
- Performance and Plans

Global Sustainable Development Goals

Climate Change

Our commitments

Today, many business leaders recognise that taking climate action is the best way to build healthier communities, consumers, businesses, and economies. Nordgold assumes responsibility for the impacts our activities have on the environment, and endeavours to minimise these wherever practically possible. We are continually looking for ways to reduce our overall environmental impacts, and lowering emissions is a core pillar within this objective.

In 2020 the Group, under the supervision of the Safety and Sustainable Development Committee of the Board of Directors, initiated a new approach and strategy for estimating and reducing greenhouse gas emissions, covering:

- estimations of greenhouse gas emissions
- determining climate risks that are pertinent for the production assets of the Group
- climate risks analysis, assessment of their materiality, prioritising risks
- elaborating climate risk mitigation actions that minimise economic damage in the event of climate risks materialising
- creating strategic goals to mitigate the impact of the climate on our operating and financial performance

As part of this new stream we also initiated the elaboration of a new methodology for measuring greenhouse gas (GHG) emissions, which will enable us to develop strategic targets for reducing our carbon footprint. Nordgold's new approach encompasses both direct and indirect emissions (Scope 1 and Scope 2), in accordance with international standard ISO 14064-1-2018, GHG Protocol standards, and 2006 IPCC[1] Guidelines for National Greenhouse Gas Inventories. Previously, Nordgold reported its direct emissions (Scope 1) in accordance with the methodology adopted by the Russian Ministry of Natural Resources and Environment and IPCC Guidelines for National Greenhouse Gas Inventories.

Our target: reduce our direct GHG emissions intensity (Scope 1) by **3%** by 2023 (from the 2020 base)

The new methodology will facilitate the benchmarking of the carbon intensity of each mine across each production process, thereby helping us to identify bottlenecks and opportunities for improvement. Once we have these data, we will be able to more effectively manage greenhouse gas emissions and elaborate new measures to reduce our environmental impacts.

In 2020 the implementation of the new methodology for measuring GHG emissions already revealed some important findings, including that Nordgold's mining fleet is one of the Group's main sources of GHG.

[1] IPCC: The Intergovernmental Panel on Climate Change.

Analysis of climate risks (TCFD[1])

GRI 201-2

In 2021 we identified and conducted a qualitative climate risk assessment of our assets in Russia, Kazakhstan, Burkina Faso, and Guinea. We subsequently intend to draft a Climate Risk Management Policy based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate risk management will be integrated into the corporate risk management system in effect at all Nordgold business and support units.

Governance

Nordgold's governance of climate change issues involves the CEO, Board of Directors, and major shareholders. Nordgold's Safety and Sustainable Development Committee of the Board is the highest body within the Company responsible for addressing climate change. The Board meets at least four times a year to discuss a range of issues, including strategies for sustainable growth and climate change actions.

Climate change governance structure

Board of Directors

- Remuneration Committee
- Nomination Committee
- **Safety and Sustainable Development Committee**
- Adult Committee
- Disclosure Committee

→ Climate Change strategy governance: vision, target-setting, management

Management

→ Climate Change strategy execution: implementing targets, reporting

Our climate strategy vision

Nordgold acknowledges that climate risks could have a material impact both on mining in the regions where we operate and in the case of future projects. In 2020 we decided to draft a climate risk register to account for the nature and seriousness of the impact of extreme climate phenomena and Nordgold's exposure and vulnerability, which are key to determining the risk factor.

Nordgold also understands the need for a qualitative climate risk assessment and the impact of these risks on operating and financial performance. Climate risks will be duly assessed and prioritised in the register, thus enabling us to draft the necessary risk mitigation actions.

The drafting of Nordgold's climate strategy requires first and foremost identification of the climate risks that are pertinent for our production assets in the four zones where we operate. To identify these risks, we analysed the climate specifics and scenarios of changes in the main climate change parameters in each zone: Russia, Kazakhstan, Burkina Faso, and Guinea. We classified risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The second stage in the drafting of the strategy is to analyse climate risks, assess their materiality, and prioritise them. Prioritisation will enable us to focus our resources on the most significant risks. The climate risk matrix determines the materiality and extent of the impact of each risk. The final stage involves the drafting of climate risk mitigation actions that minimise economic damage in the event of the materialisation of climate risks.

This approach will serve as the foundation for drafting strategic goals to mitigate the impact of the climate on our operating and financial performance.

Risk management

When drafting the climate strategy, management will address all climate change issues, including corporate governance, risk management, and goal setting, while the Board of Directors will oversee the climate risk and opportunities management process.
The climate risk management system to be implemented at Nordgold will consist of a set of internal policies and procedures applicable to all organisational levels and intended to mitigate climate risks. The system will be fully integrated into the corporate risk management system. As a result, we will be able to respond proactively and expansively to all climate change factors in the business environment, including international and national climate change initiatives. By 2020 we were actively participating in a number of projects aimed at reducing GHG (greenhouse gas) emissions in the short, medium, and long term.

A **35%** renewable energy share of purchased power has been achieved by Nordgold, or **8%** of total Group consumption. We will continue to raise the share of renewables as part of the net zero ambition target.

[1] TCFD: The Task Force on Climate-related Financial Disclosures.

Nordgold climate projects for reducing GHG emissions

Initiatives in response to climate change	Emission reduction goal
Net-zero emissions by 2050	Projects with a life-of-mine up to 2050 and beyond will be provided a pathway to achieving net zero by 2050. Specific targets will be set for new projects with a life-of-mine not up to 2050, to ensure their contribution to achieving the overall objective of falling carbon emissions.
Fuel consumption reduction at Lefa powerhouse	A new efficient power plant at Lefa is planned to be completed by the end of 2021. This project is expected to reduce fuel consumption in electricity generation by 15% and engine oil by 30%, resulting in a 17,000-tonne reduction in greenhouse gas emissions per year.
Fuel consumption reduction at Gross powerhouse	Implementation of a three-year power plant improvement programme at the Gross mine, which is projected to reduce coal consumption by 8% and reduce GHG emissions by around 57,700 tonnes in 2021–2022.
OMNICOMM, WENCO monitoring systems introduction	Implementation of the OMNICOMM fuel and lubricant materials consumption monitoring and WENCO mining equipment dispatching systems are projected to reduce both fuel consumption and downtime.
Scope 2 emissions inclusion	Nordgold's new approach will encompass both direct and indirect emissions (Scope 1 & 2) in accordance with international ISO 14064-1 2018 and GHG Protocol standards.

Indicators and targets
It is our underlying goal to reduce climate change risks, while simultaneously constantly improving our financial performance.

In accordance with TCFD recommendations, we have split Nordgold's climate risks into two main categories: physical and transitional. Transitional risks consist of political, legal, technological, market, and reputational risks related to a global transition to a low-carbon development model. Physical risks are attributable to the direct impact of adverse climate factors: temperature, humidity, the level of precipitation, and other factors that could have a permanent impact (chronic risks) and also an increase in the likelihood of hazardous weather phenomena (acute risks).

Based on the analysed transition risks, Nordgold has identified the following preventative actions:

- Implement a regular greenhouse gas emissions reporting and monitoring system by applying universally recognised methodologies and standards: the GHG Protocol, Guidelines for National Greenhouse Gas Inventories of the Panel on Climate Change (IPCC).
- Monitor and participate in a discussion of regulatory initiatives to assess the potential tax burden on Nordgold's products.
- Cut electricity consumption through investments in energy-efficient technologies.
- Increase the share of low-carbon energy sources in Nordgold's energy balance through a transition to low-carbon generation.
- Analyse and implement global best practices to reduce the carbon intensity of the gold mining industry. Pursuant to the World Gold Council, in order to attain the target to limit global warning to 2°C by 2050, gold miners must reduce greenhouse gas emissions by 80%.
- Draft a systemic approach to monitoring and disclosing information on climate risks through adopting TCFD recommendations on the timely submission of objective information on performance in terms of climate risk management parameters to all stakeholders.

Based on the analysed physical risks, the following performance indicators represent our goals when it comes to preventing global climate change risks:

- The integrity of tailing storage facilities: monitoring the state of tailings storage facilities, supervising the water level, quality control of slurry pipelines, monitoring soil erosion at the sides of tailings storage facilities.
- The industrial safety of production facilities: analysis of the region's landslides, monitoring plots with identified landslide activity, stabilisation of slopes, wastewater disposal.
- Environmental protection: constant monitoring of the impact of production processes on the environment to prevent damage.
- The safety of working conditions and zero fatalities in the workplace: compliance with occupational health and safety rules in instances of high temperatures or limited visibility; due consideration of the operability of equipment at high temperature, and consideration of the additional energy consumption required to cool production shops; controlling the level of mine waters in underground mining, forecasting any increase in the level and factoring in additional resources for the operation of pumps; implementing preventative measures to combat epidemics, and suppling clean water to local communities.
- Continuous production: storage of water (for production, household, and practical needs) and stocks of raw materials and materials in case of disruptions to supplies, and creating alternative means of communication.

These financial risk mitigation goals represent Nordgold's response to identified climate risks.

Disclosure of information on risks

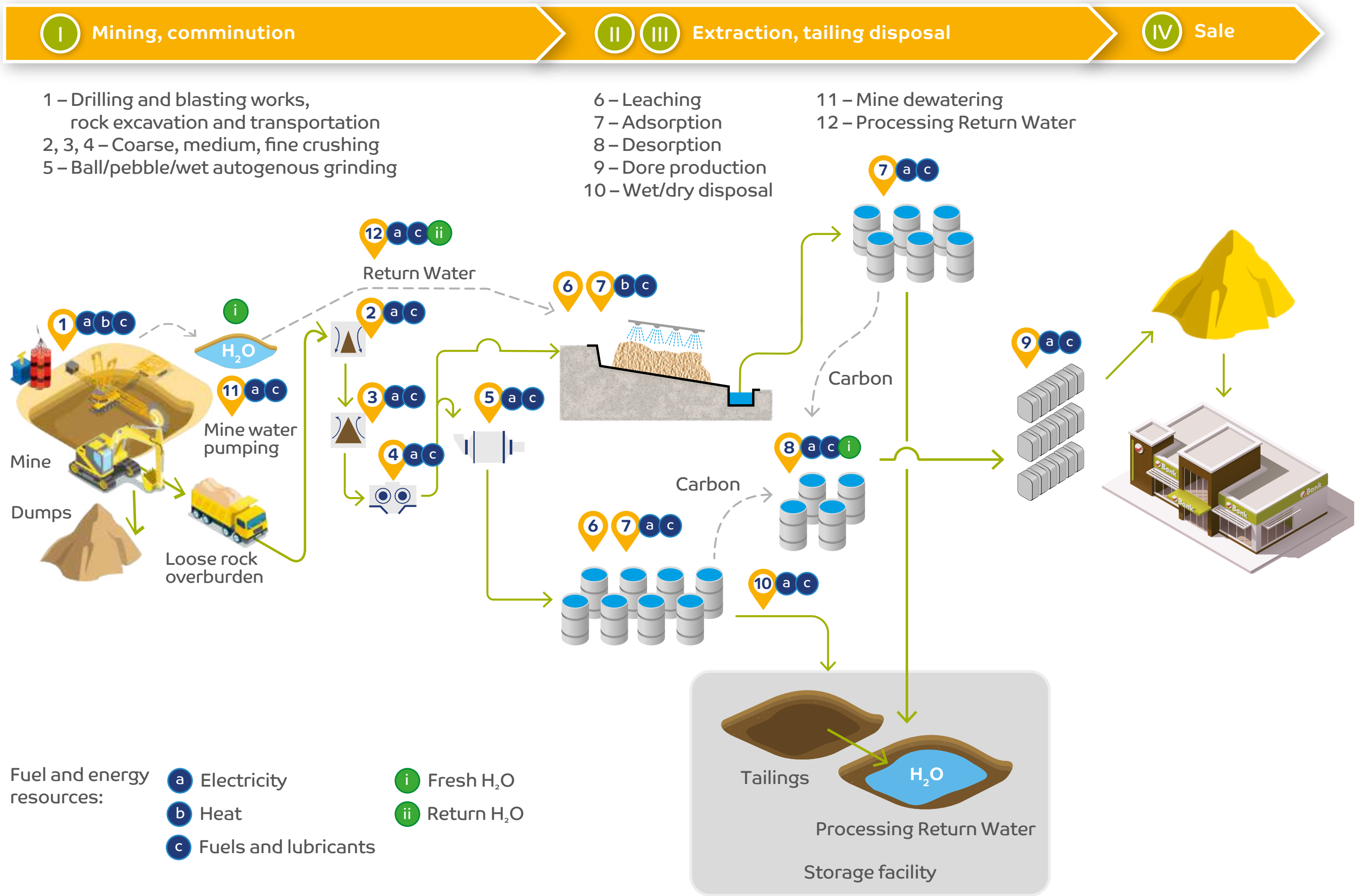
The following are the underlying principles for disclosing information on climate risks:

- A sufficient level of detail for the proper assessment of the Group regarding exposure to risks.
- A detailed overview of our exposure to risks, with due account of climate and economic risks in the regions where we operate.
- Comparability of information disclosures on exposure to risks with the disclosures of other mining companies.

Climate risk categories have been determined for the four regions where we operate: Russia, Kazakhstan, Burkina Faso, and Guinea. The climatic conditions of these countries determine the current risk set and local specifics. Climate risks were identified on the basis of TCFD recommendations, with due account of the technological process of Nordgold (See Gold mining technological process) and the supply chain.

The assessment of the significance of identified climate risks is based on the assumed financial damages if a risk were to materialise, with due account of their probability.

Gold mining technological process



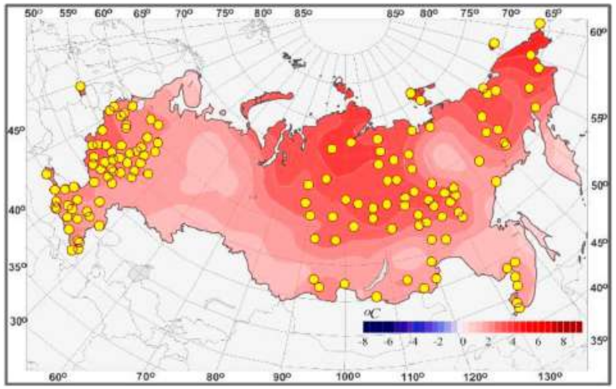
According to the Federal Service for Hydrometeorology and Environmental Monitoring of Russia (Rosgidromet) (2020), the rate of growth of the air temperature in Russia over 1976–2019 averaged 0.47°C/10 years. The rising temperature in Russia is leading to record high air temperatures (See Anomalies in the annual and seasonal temperatures of the surface air in Russia. The localisation of 95% of extremes showed in yellow bubbles) and precipitation anomalies (See Anomalies of precipitations in Russia. The localisation of 5% of extremes showed in red bubbles and 95% in green bubbles), a decline in the duration of the snow cover, an increase in seasonal permafrost thawing, and a rise in average annual precipitation.

A rise in the average annual air temperature of 0.31 C per 10 years was observed all over Kazakhstan in the period 1976–2019 (Federal Service for Hydrometeorology and Environmental Monitoring of Kazakhstan. Annual and seasonal precipitations have increased in the sub-mountainous and mountainous terrains of the country, while aridity has intensified in desert and semi-desert areas in Kazakhstan (See Time sequences of the anomalies of annual and seasonal air temperatures (°C), averaged for Kazakhstan. The anomalies are calculated regarding the base period 1961–1990. The linear trend for the period 1976–2019 is highlighted in green. The flattened curve is obtained based on the 11-year sliding average).

The regions where we operate in West Africa differ materially from Russia and Kazakhstan, due to their proximity to the equator and the seasonality of the climate. In addition to the impact of the Atlantic Ocean, the proximity of the Sahara Desert affects the climate of Burkina Faso and Guinea. There has been a perceptible increase in the aridity of the climate in both countries during seasonal droughts, average annual temperatures have been rising, with irregularities in the rate of precipitation in the rainy season and a decline in water resources.

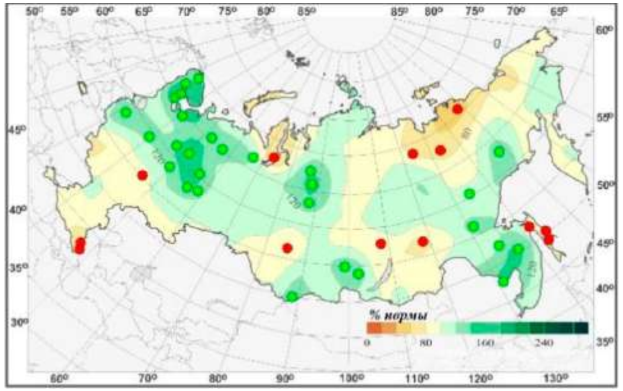
These climate changes in the regions where Nordgold operates have increased the likelihood of precipitation and flooding anomalies, temperature anomalies and dust storms, and led to a rise in the average annual air temperature and average annual precipitations. The listed risk factors trigger climate risks: a decline in productivity, water shortages, potential damage to production facilities, interruptions to the supply and shipment schedule, threats to employee life and health, damage to or loss of equipment, production shutdowns, the malfunctioning of infrastructure, environmental pollution, additional consumption of fuel and energy resources, and disruptions to food supplies.

Anomalies in the annual and seasonal temperatures of the surface air in Russia in 2019 (Rosgidromet, 2020).



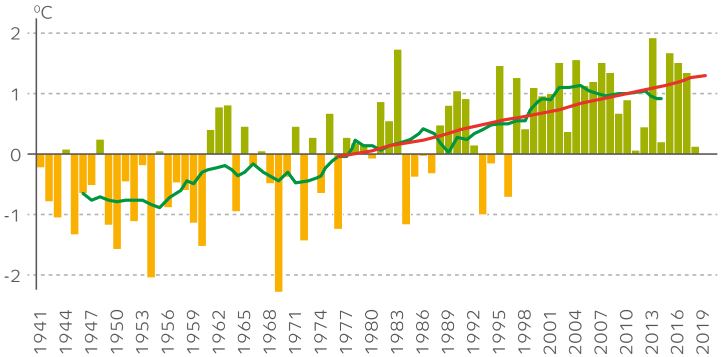
Year: January-December

Anomalies of precipitations in Russia in 2019 (deviations from the average for 1961–1990) (Rosgidromet, 2020).



Year: January-December

Time sequences of the anomalies of annual and seasonal air temperatures (°C), averaged for Kazakhstan over the period 1941–2019 (Kazgidromet, 2020).



Transition risks

Risks were considered in the group of transition risks based on the following sub-groups: political and legal risks, technological risks, market risks, reputational risks. The transition risks apply to all the regions where Nordgold operates and reflect global trends in climate action.

Political and legal

Stakeholder interest in greenhouse gas reporting has been on the rise everywhere. International experience shows that the reporting is becoming mandatory in the European Union. At a national level, there are plans in Russia to propose a draft Federal Law on the State Regulation of Greenhouse Gas Emissions and Capture and on the Introduction of Amendments to Certain Legislative Acts of the Russian Federation. Therefore, we assess the costs related to mandatory reporting on greenhouse gas emissions, monitoring and verification (Risk 1). Due to the risk's materiality, we are disclosing greenhouse gas information (Scope 1) in accordance with the methodology adopted by the Russian Ministry of Natural Resources and Environment. Moreover, we are updating the accounting methodology in 2021 and plan to disclose scope 1 and 2 emissions in accordance with ISO 14064-1 and GHG Protocol standards for the more efficient inclusion of emission reduction into strategical decision-making.

The introduction of the Carbon Border Adjustment Mechanism (CBAM) to compensate for greenhouse gas emissions raises the risk of an additional tax burden on exports of Nordgold products to the European Union (Risk 2). The risk is material for our exports, as this will affect our financial performance. We duly note that the tax is related to the carbon footprint of a product. We must assess the specific tax burden for each production asset.

Assessed transition risks

Sub-category of risk	No.	Risk factor	Risk
Political and legal	1	Introduction of mandatory reporting on greenhouse gas emissions	Costs on the preparation and verification of greenhouse gas reporting
	2	Introduction of cross-border carbon regulation	Additional tax burden
Technological	3	High carbon-intensive production processes	Capital expenditure on the transition to low-emission and carbon-free sources of energy
Market	4	Attainment by competitors of industry standards for greenhouse gas emissions	Decline in the margin of products owing to the need to make payments for exceeding the national greenhouse emission standard
Reputational	5	Negative perception of the Group by investors, independent shareholders	Decrease in the investment appeal of the Group

Technological

Recently, the proactive development of low-carbon technologies has been observed. The focus of the state regulation of greenhouse gas emissions is aimed at supporting the development of low-emission technologies in all sectors. Consequently, we consider costs related to the implementation of low-emission technologies as a climate change risk (Risk 3). For example, in European countries the directory of best available technologies (BAT) includes the carbon-intensive indicators of the production process. According to World Gold Council estimates, the main emissions during gold mining relate to the purchase of electricity or the burning of fuel. As the production of electricity at Nordgold's mines represents a significant source of CO_2 emissions, we are implementing a greenhouse gas reduction programme. The construction of a solar power plant is being considered at the Bissa and Bouly mines (Burkina Faso) – key production assets of Nordgold. We are also working to improve the efficiency of our power plants: one recent project is a new efficient power plant at the Lefa mine capable of reducing fuel consumption for the production of electricity by 15% and engine fuel by 30% by the end of 2021. This will lead to a reduction in greenhouse gases of 17,000 metric tonnes of CO_2 equivalent/year.

Market

The introduction of greenhouse gas reduction targets for the mining industry in Russia would entail an additional regulatory burden. Accordingly, there is a risk that margins will be adversely affected (Risk 4). As the risk is material for Russia's domestic market, it has been included in Nordgold's strategic development and risk management.

Reputational

The negative perception of Nordgold by investors and independent shareholders owing to the high carbon intensity of processes could lessen the Group's investment appeal (Risk 5). To increase investment appeal and thereby expand opportunities to access financial markets, we must develop a systemic approach to the disclosure of information on climate risks. The first step would be to apply TCFD recommendations.

Physical risks
Risks attributable to precipitation and flooding anomalies, temperature anomalies, a rise in the number of dust storms, and rising average annual temperatures and levels of precipitation are considered in the group of physical risks (See Assessed physical risks).

Acute risks

The likelihood of precipitation and flooding anomalies is pertinent for all the regions where Nordgold operates. Materialisation of this risk results in overflows of the tailings storage facility through the dam, which will trigger a shutdown of production (Risk 6) until the accident has been duly handled, and also contaminate the environment with the chemical substances contained in the sludge (Risk 7). This risk is material, as damage to the environment and equipment as a result of an accident would adversely affect Nordgold's financial performance.

Such precipitation and flooding anomalies trigger soil erosion in the sides of the tailing's storage facility and the slopes of the road linking deposits with other infrastructure facilities. This risk of damage to the tailing's storage facility (Risk 8) and the transport infrastructure (Risk 9) is characteristic of all the regions where Nordgold operates. If the risk materialises, the tailings storage facility will have to be restored, while interruptions to supplies of materials and raw materials could lead to a decline in performance indicators. The activisation of landslide and mudflow processes is one extreme impact of precipitation anomalies on topsoil. This process puts at risk employee life and health (Risk 10), results in damage to and/or loss of equipment (Risk 11), and the shutdown of production (Risk 6). Atmospheric precipitations could trigger an increase in the level of underground waters. In the case of underwater gold mining (Russia and Kazakhstan), a rise in the level of underground waters would result in additional consumption of fuel and energy resources to dewater the mine waters (Risk 12). An inrush of mine waters would lead to the risk of a shutdown of production (Risk 6) and a threat to employee life and health (Risk 10).

Assessed physical risks

Sub-category	№	Risk factor	Risk
Acute	6	Likelihood of precipitation and flooding anomalies	Production shutdowns
	7		Environmental pollution
	8		Potential damage to production facilities
	9		Violation of the integrity of the main body of highways
	10		Threat to employee life and health
	11		Damage to/loss of equipment
	12		Additional consumption of fuel and energy resources
	13	Likelihood of temperature anomalies (excess heat)	Water shortages
	14		Production shutdowns
	15	Likelihood of temperature anomalies (excess cold)	Interruptions to the supply and shipment schedule
	16		Decline in productivity
	17	Likelihood of dust storms	Decline in productivity
	18		Production shutdowns
Chronic	19	Increase in average annual temperatures	Threat to employee life and health
	20		Decline in productivity
	21		Additional consumption of fuel and energy sources
	22		Water shortages
	23		Violation of the integrity of the main body of highways
	24	Increase in annual average precipitation	Malfunctioning of infrastructure
	25		Threat to employee life and health
	26		Interruptions in food supplies

Heat waves occur in all the regions where Nordgold operates, and can lead to a shortfall in the water resources required to maintain production (Risk 13), and also the risk of a shutdown of equipment owing to operations in hazardous temperature conditions (Risk 14).

Owing to temperature fluctuations attributable to climate change, unnatural cold snaps are likely in the regions where Nordgold operates in Russia and Kazakhstan. Possible interruptions to delivery supplies and shipments using transport due to frost results in interruptions to the supply and shipment schedule (Risk 15). A fall in the air temperature has an adverse impact on labour productivity (Risk 16).

The likelihood of dust storms in the regions where Nordgold operates in Burkina Faso and Guinea has an impact on gold mining processes. After the emergence of dust storms, there is an increasing risk of a decline in productivity (Risk 17), a shutdown of production owing to limited visibility (Risk 18), and interruptions to supplies and shipments, which can also occur owing to limited visibility.

Chronic risks

The rise in average annual temperatures in all the regions where we operate entails additional expenses on fuel and energy resources required for the cooling of production premises (Risk 21), a decline in productivity owing to employee sickness (Risk 20), and poses a risk to employee life and health (Risk 19). If these risks materialise, productivity will fall, with a knock-on effect on production factors such as gold mining and enrichment.

In Burkina Faso and Guinea the rise in average annual temperatures leads to water shortages from surface sources (lakes, reservoirs) (Risk 22).

When there is a shortage of water, ore enrichment production indicators decline, as the process involves water reagent solutions.

In Russia and Kazakhstan the rise in average annual temperatures has increased the number of instances where the air temperature goes above zero in winter, with an adverse impact on the condition of the road surface and disruptions to the shipment and supply schedule (Risk 23).

A rise in average annual precipitations is characteristic of all the regions where Nordgold operates and increases the moisture of the soil and air humidity, which in turn leads to the risk of corrosion to slurry lines (Risk 24). If this risk materialises, the tailings storage facility will malfunction and production will be suspended, with a potential adverse impact on key performance indicators. In Burkina Faso and Guinea rising average annual precipitations increases air humidity and creates favourable conditions for outbreaks of epidemics (malaria, etc.). These conditions endanger employee life and health (Risk 25), and trigger interruptions to food supplies (Risk 26), namely agricultural crops cultivated in the countries where we operate. This risk results in additional expenses on insurance and safeguarding employee health.

Greenhouse gas emissions

GHG emission reduction is a key step to fight against climate change. In order to monitor our contribution to GHG emission reduction, we disclose this information annually.

The main direct greenhouse gas emissions are from electricity production at power plants and boilers that use carbon fuels, as well as from the operation of vehicles and mining equipment.

In 2020, we introduced a new methodology* to calculate our GHG emissions, with a more accurate accountability of all the CO_2e generating processes as well as starting disclosing direct and indirect emissions (Scope 1 & 2). The methodology for the first time included all GHG emissions generated from Nordgold's operations, including emissions from the transportation fleet of the Group and diesel generator sets.

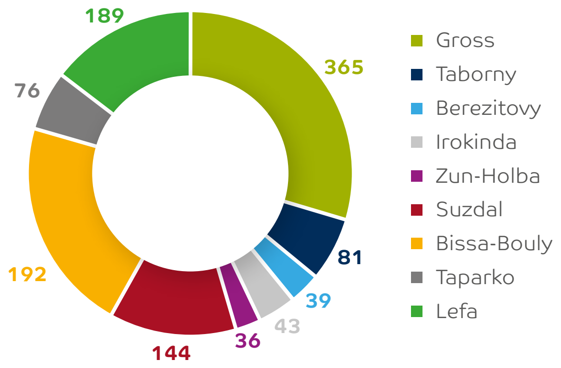
The total volume of greenhouse gas emissions in 2020 for all business units stood at 1,165 thousand tonnes of CO_2-eq.: direct GHG (Scope 1) accounted for 1,041 thousand tonnes and energy indirect (Scope 2) GHG emissions accounted for 124 thousand tonnes. GRI 305-1, GRI 305-2

We improved the carbon intensity of our operations and achieved a 1.75% reduction in 2020 vs 2019. In 2020 carbon intensity stood at 0.0225 tonnes CO2 equivalent per tonne of ore processed (2019: 0.0229). GRI 305-4

* in addition to the IPCC methodology used for the 2019 GHG emissions disclosure, the new methodology is based on IPCC, GHG Protocol Scope 1&2 Guidance and ISO 14064-1 methodology and therefore provide better transparency and higher accuracy of the emissions accountability.

[1] Direct GHG (Scope 1).

Total GHG emissions (Scope 1, Scope 2) by mines in 2020, thousand tonnes of CO_2-eq



Rational use of Energy

Energy efficiency

The mining industry is a major energy user and, as a gold mining company, we are constantly looking to introduce both energy efficiency measures and cost-effective ways to generate power. Nordgold mines implement energy-efficient technologies, and also carry out measures related to energy conservation and rational energy use. We are focused on improving power generation equipment use and reducing energy consumption through the use of efficient technologies. Staff undergo trainings in energy consumption.

Essential onsite power generation, which provides both the energy to run operations and ensures that employees benefit from safe and comfortable accommodation and amenities, is a significant source of GHG emissions. Nordgold therefore decided to introduce a programme to reduce associated impacts, through short and medium-term initiatives.

Nordgold recognises the important role renewable energy plays in achieving lower-carbon and more sustainable production. As a company with energy intensive operations, we are working to introduce renewable energy to the power grids of our facilities (we already use energy generated by hydroelectric power stations). Renewable energy accounts for 35% of the energy purchased to power the operations of the Group. Another promising area is the use of solar power for our operations in West Africa.

GHG emissions reduction initiatives GRI 302-4, GRI 305-5

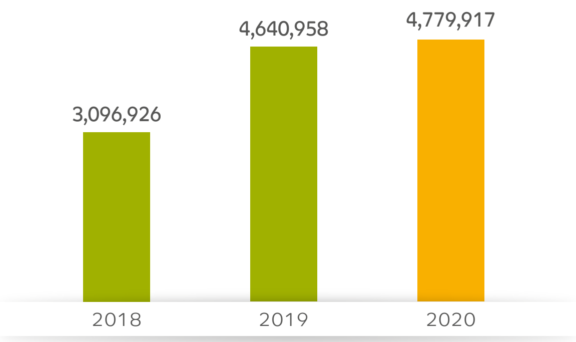
Initiative	Impact	Year of completion
Construction of new efficient power plant at Lefa.	15% reduction in fuel consumption for electricity generation. 30% reduction in engine oil consumption. 17,000-tonne reduction in greenhouse gas emissions per year.	2021
Implementation of a continual 3-year power plant improvement programme at the Gross mine.	8% reduction in coal consumption. 57,700-tonne reduction in greenhouse gas emissions in 2021–2022.	2022
Implementation of the OMNICOMM fuel and lubricant materials consumption monitoring and WENCO mining equipment dispatching systems.	Reduced fuel consumption. Reduced downtimes	Ongoing
A solar power plant at Bissa.	6.4-million-litre reduction in fuel consumption. 18,000-tonne reduction in greenhouse gas emissions per year.	Technical feasibility and design assessments are ongoing

In 2020, the total energy consumption of the Group was 4,779,917 GJ, which is 3% more than in 2019.

Overall energy consumption has grown since 2016 due to several factors:

- Gross mine has been launched in 2018 and got fully operational in 2019.
- In 2017, Bouly mine entered into production and additionally increased group power generation.
- Launch of underground operations in addition to the open-pit at Berezitovy mine.

Total energy consumption[1], GJ



[1] New 2018 and 2019 data has been recalculated under more consistent and accurate approach

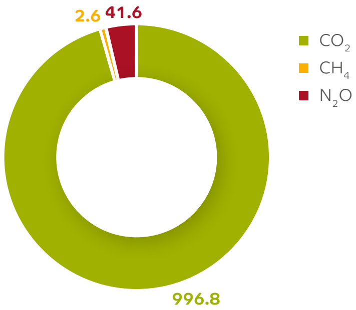
Performance and Plans

In 2020 we focused on developing a robust scientific approach to estimating and reducing greenhouse gas emissions. As mentioned above, the implementation of the new methodology for measuring GHG emissions has already revealed some important findings. In the midterm this will help us to identify bottlenecks and opportunities for improvement.

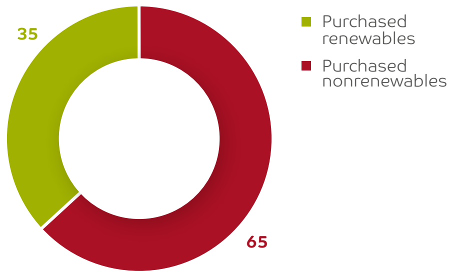
Scope 1 emissions from Nordgold operations include CO_2, CH_4, and N_2O. Carbon dioxide emissions accounted for 96% of all GHG emissions in 2020, and nitrous oxide and methane emissions around 4%. Approximately 49% of all GHG was emitted by diesel stationary and mobile sources.

Nordgold also worked on introducing energy efficiency measures across the Group, including the introduction of hydroelectric and solar energy. In the reporting period the share of purchased renewable energy accounted for for 35% of all purchased energy, while the share of non-renewables was 65%. .

Direct GHG emissions (Scope 1) (CO_2, CH_4, N_2O) in 2020, thousand tonnes of CO_2-eq



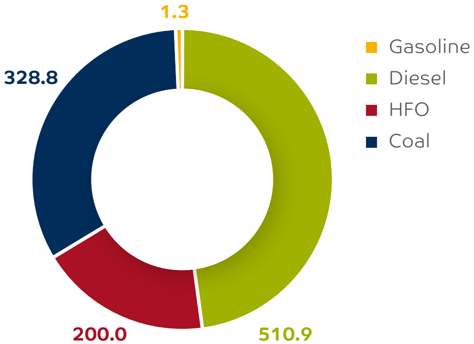
Share of renewable energy in energy purchased[1], %



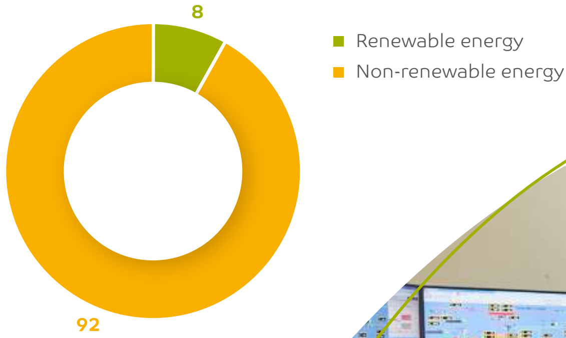
Nordgold has the following plans for 2021 and the midterm in the area of climate leadership:

- Implementation of a corporate GHG emissions calculating procedure (scopes 1 and 2).
- The elaboration and implementation of a corporate GHG emissions calculation procedure (Scope 3).
- Setting midterm GHG emission reduction targets.

Direct GHG emissions (Scope 1) by fuel type in 2020, thousand tonnes of CO_2-eq



Share of renewable energy in energy consumption[1], %



[1] Hydropower of Berezitovy

Employees and Society

Occupational Health and Safety

2020 highlights

- **LTIFR improved to 0.14[1] in 2020** vs 0.33 in 2019
- **ZERO** employee fatalities
- **TRIFR improved to 0.52** vs 0.93 in 2019

In this section

- Ensuring Safe Production
- Employee Health
- Emergency Preparedness
- COVID-19 Impacts and Measures Taken
- Performance and Plans

Global Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

Ensuring Safe Production

Striving to be the industry leader in the field of occupational health and safety (OHS), Nordgold's top priority is employees, contractors, and visitors' health, safety, and well-being. The focus of the Group in 2020 was on developing a corporate safety culture. We believe that enhancing the corporate-wide safety culture also fosters greater operational efficiency and zero-injury performance. In the sphere of OHS we are guided by internal corporate documents, such as the Occupational Health and Safety Policy, which was updated in 2019. We fully comply with all respective laws in the regions where we operate and try to exceed basic requirements in the areas of occupational health, industrial safety, and environmental protection.

On a quarterly basis issues pertaining to labour protection, industrial safety, and environmental protection are discussed by the Safety and Sustainable Development Committee under the Board of Directors. This committee consists of four Board members, including the Chairman of the Board. Meetings are also attended by Nordgold's CEO and HSE Director. The committee also monitors performance in relation to the indicators used by Nordgold to assess its contribution to sustainable development.

In order to assess procedures related to the Health, Safety, Security & Environment (HSE) management system, its compliance with current legislation, and workers' knowledge and understanding of it, Nordgold conducts internal corporate audits. In 2021, Nordgold plans to prepare the HSE management system for ISO 45001 and ISO 14001 certification at Gross, Taborny and Suzdal mines. Previously, business units held inspections by the Nordgold management company, however, in 2020 these had to be cancelled due to COVID-19 restrictions GRI 403-1.

[1] LTIFR is calculated based on 200,000 hours worked

Nordgold introduces safety ambassadors

The main OHS-related event of the year was the introduction of safety ambassadors at Nordgold's business units in Russia and Kazakhstan. These are specially trained people who deal with safety issues, with an emphasis on communicating with employees. The key function of safety ambassadors is to enhance the culture of safety in the workplace. They perform communication and coaching tasks: conduct behavioural audits, explain the importance of compliance with safety rules, and answer questions, including those related to safety. Another task is to supervise work that is being performed GRI 403-4. If it is dangerous, they have the authority to halt it, even when it comes to contractors, that is, now it is no longer necessary to call a supervisor to the site. The functions of safety ambassadors are documented, and special KPIs have been elaborated to monitor their work GRI 403-7.

In 2020 Nordgold introduced the Hazard Identification Programme, which is aimed at:

- enhancing the culture of workplace safety and informed leadership
- engaging employees in HSE issues
- promptly addressing OHS deficiencies
- creating a safe environment and avoiding repeats of hazardous events
- reducing the number of accidents

The programme seeks to boost the proactivity of employees, eliminate potential deficiencies and, above all, prevent incidents and accidents. Proactive programme participants are awarded. Any employee can halt work if they believe it to be unsafe. Subsequently, in order to report unsafe conditions, unsafe actions, or a near miss, an employee has to complete a hazard identification card. The manager is then notified and immediate preventative measures are taken GRI 403-3.

We work actively in the field of risk management and have closely analysed which operations are associated with the Group's main injury risks, taking into account data from previous years. In the second half of 2020 we identified five priority areas and began to gradually improve controls over the implementation of necessary measures, and elaborated additional measures to minimise such risks GRI 403-2.

Key safety risks identified

- Risk of falls during transfers and falls from height
- Risk from exposure to moving rotating equipment
- Risk from various falling and airborne objects
- Risk from rock falls
- Transport safety

In 2020 we elaborated the Internal Accident Investigations Procedure as a corporate regulation and put the corporate Cardinal Safety Rules into action. These include:

1. It is prohibited to perform hazard operations for personnel without a permit-to-work. All safety measures must be implemented under the permit-to-work before the start of such operations.
2. It is prohibited to conceal or misreport information about incidents in Nordgold or contractor companies.
3. It is prohibited to be under the influence of alcohol, drugs, toxic or other substances or attempt to entry with those substances, store them or consume them at the territory defined by the BU.
4. It is prohibited to position oneself under suspended load or unsecured elements of equipment, under hanging rock, snow or ice.
5. It is prohibited to operate without compliance with all safety measures in underground mines.
6. It is prohibited to steal, lose, leave unattended or misuse explosives.
7. It is prohibited to operate servicing vehicles without considering all safety requirements.
8. It is prohibited to work at an unfenced height above 1.8 m without using full safety equipment
9. Equipment repair and maintenance is prohibited if the relevant authorisation is missing or due to certain technical issues
10. When working in the area of rotating or moving machinery it is prohibited to misuse safety hencing and provide free access to unattended working equipment
11. It is prohibited to work without a life vest closer than in 2 meters to open water bodies or on the water surface.

For more information on our Health and Safety Approach see the 2019 Sustainable Development Report or visit our website.

Employee Health

We believe that in order to attain our goal of zero injuries, and become an industry leader in the sphere of OHS, we need to actively develop and promote the corporate safety culture. To achieve this, among other programmes we provide trainings for all new joiners and instruct them in the area of work safely.

Unscheduled trainings are held for employees who come to work after rotational leave to remind employees of Nordgold's health and safety policy, the main sources of injuries and accidents, and the basic measures deployed to control any critical risks. Also, before the start of each shift, business unit managers hold five-minute safety toolbox meetings with employees that are taking over the shift. Their topics are tailored to the specific situation at the mine and are modified regularly. These five-minute sessions are conducted in an informal discussion format GRI 403-5.

Nordgold holds annual medical events at which we monitor the health and physical condition of employees. These are periodic and initial medical check-ups, and certain categories of employees undergo daily check-ups. Additionally, continuing work is conducted to combat malaria in all enterprises in Africa. 6,039 cases of malaria were identified in 2020. Also, vaccinations against encephalitis were carried out at all Russian business units. A total of 397 people were vaccinated against encephalitis in 2020. All enterprises are provided with special personal protective equipment for staff where it is necessary. GRI 403-6.

We keep records of occupational diseases that occur in the accounting year. Last year there were three, related to diseases of the musculoskeletal system, ventilation disease, and hearing organs. Employees diagnosed with occupational diseases receive prompt and appropriate treatment. At the same time, treatment is now being administered at an earlier stage, based on the recommendations of doctors and the results of medical examinations. In special cases staff are referred to sanatoriums, where they undergo special treatment procedures.

Emergency Preparedness

Our business units have Emergency Response Plans (ERP), core documents that are elaborated and regularly updated and approved in accordance with all applicable regulatory requirements. Each business unit has ERPs that are compatible with its operations, geography, and other specific conditions. No emergencies were recorded in 2020.

Our mines have special teams of workers that have undergone a respective training and education. Mine rescue units are also physically present at enterprises, or are dispatched to units in the event of an emergency (until their arrival our rescue teams deal with the accident). At some enterprises, depending on their size and location, internal fire units act as emergency rescue teams.

Nordgold announces Risk Hunting contest

Risk Hunting is a special competition in which about US$70 is awarded monthly to one employee of each production division for actively participating in identifying hazardous conditions, dangerous actions, and incidents without consequences (near misses).

The contest was launched in 2020, and by the end of the year there were already several winners, including a conveyor driver at the Berezitovy mine tailings area, who detected corrosion damage to conveyor guardrails, and an electric and gas welder at Taborny, who identified four hazardous conditions during an inspection of gas-flame equipment.

Nordgold has a unified and systematic approach to emergency responses. All business units have identified possible emergencies and developed a response plan. Employees are regularly trained to respond to such situations. In total, in 2020 there were **12** training alarms, **12** training sessions, and **27** on-site fire drills.

COVID-19 Impacts and Measures

In order to maintain operations during the COVID-19 pandemic, Nordgold took strict anti-COVID-19 measures. At the moment, the epidemiological situation in the Group is under control. Business continuity and sustainability in operations is ensured by the following solid set of measures:

Infrastructure

- observation facilities established either at mines or in cities nearby
- mines' infrastructure (production buildings, living blocks, canteens, etc.) refurbished to meet anti-COVID-19 requirements
- at several mines an autonomous regime (people live in the same building where they work) was introduced
- measures were taken to facilitate social distancing, e.g. transport facilities were expanded

Internal regulations

- internal standards and rules were adopted to prevent the spread of COVID-19: social distancing, the wearing of masks, etc
- online trainings and a PR campaign were launched
- regular audits to control compliance were conducted

Medical care

- quarantine was mandatory before entering mines
- PCR and antibody tests conducted
- a treatment protocol for infected employees was elaborated with close cooperation from health authorities and clinics

>150
Tests conducted daily

1,711
Positive cases identified
(cumulative, as of the end of December 2020)

95%
Workforce availability
(as of the end of December 2020)

Nordgold has set up a special headquarters to combat the effects of the COVID-19 pandemic. Standard measures, such as taking staff members' temperatures and using personal protective equipment (masks, disinfectant, gloves) are in place. Also, vehicles are treated with special disinfectant solutions, and places where many people gather – canteens, meeting rooms, etc. – are disinfected. Overall, these measures proved effective, and any serious outbreaks of the virus were averted.

As of the end of December 2020 the total number of employees hospitalised due to COVID-19 is about 600 and there had been 590 COVID-19 positive cases among contractors since the start of the pandemic.

We report with sadness that two Gross employees passed away in 2020 from COVID-19 or its consequences in hospital.

Performance and Plans

We are continuously working to improve our health and safety performance. The reporting year was successful in terms of key injury rates, both for employees and contractors, and we attribute the significant improvement seen here to measures taken to enhance the corporate safety culture. The Lost Time Injury Frequency Rate (LTIFR) has been falling steadily in recent years. And despite recording a rise in 2019 compared to the previous period, Nordgold has experienced a steady downward trend vis-à-vis this indicator in the past 10 years (0.14 in 2020 vs. 0.33 in 2019).

The indicator of recordable injuries frequency (TRIFR), which, in addition to fatalities and disability cases, also takes into account cases of medical care and transfers to light work, changed considerably in 2020 compared to 2019 (0.52 and 0.93, respectively).

In 2020 the LTIFR[1] indicator declined for contractors performing work at Nordgold mines (0.12, vs. 0.20 in 2019). At the same time, in the reporting year contractors' TRIFR fell from 0.63 in 2019 to 0.42.

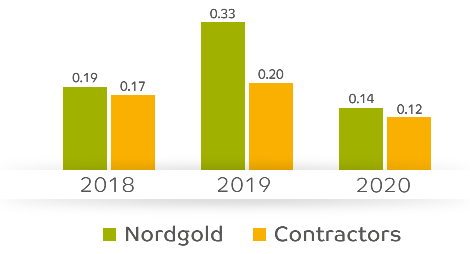
We are happy to report that in the reporting year no fatalities related to the Groups' production activities were recorded at Nordgold.

Our focus in 2021 will be on further enhancing the safety culture, including in relation to leadership and commitment, key injury risk management and personnel development. We also plan to update the provision on contractor management as part of work with contractors.

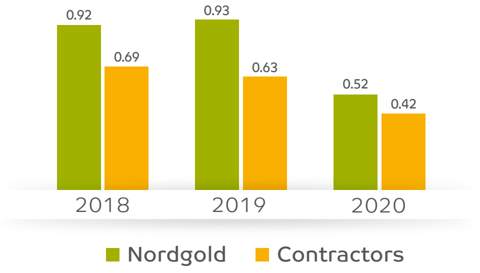
Key events in this area include:

- Elaborating HSE leadership KPIs for business unit managers.
- Continuing the work of safety ambassadors and small initiative in business units.
- Elaborating and implementing a risk assessment procedure.
- Conducting trainings for employees and managers, such as: Safety Minimum and HSE Leadership and training on Internal Investigations of Accidents.
- Continuing with the Fall Prevention Programme.
- Elaborating a moving and rotating parts of equipment programme.
- Implementing a Seasonal Risk Campaign.
- Implementing an HSE communications plan.

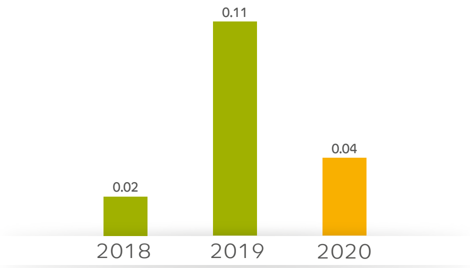
Lost Time Injury Frequency Rate (LTIFR) GRI 403-9



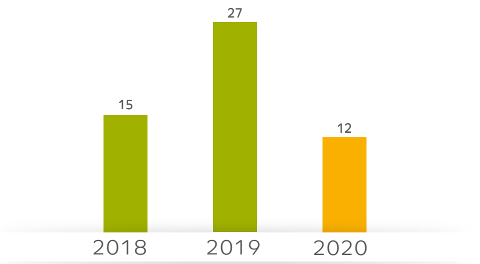
Total Recordable Injuries Frequency (TRIFR) GRI 403-9



Rate of high-consequence work-related injuries, 2018–2020 GRI 403-9



Lost Time Injury (LTI), 2018–2020



Employees

In this section

Global Sustainable Development Goals

2020 highlights

- **8,190** average headcount
- **17%** females holding management positions
- **<6.8%** undesirable staff turnover
- to **81%** employee engagement rate improved
- **84%** employees overall satisfaction rate
- **68%** employee happiness index
- **75%** of employees underwent training in 2020
- US **$7.3m** total investments in social infrastructure
- US **$2.2m** invested in trainings

Human Resource Management

Nordgold recognises that our people are the key to our continued success and to growing our business. We have always placed a great emphasis on providing our employees with safe and good working conditions and industry competitive salaries, and encouraged greater employee engagement in the workplace, giving employees every opportunity to advance their careers through further training and study.

Nordgold has created and implements a human resources management system to ensure that we continue to be an employer of choice and to attract and retain highly qualified individuals. Our system is founded on four key values:

Nordgold has adopted and updates annually its personnel management strategy, which focuses on five principles:

- retaining and attracting talent
- building organisational capabilities
- driving performance and productivity
- facilitating employee engagement and building positive employee experience
- organisational efficiency.

Nordgold adheres strictly to the legislative requirements of the countries where we operate. Labour relations at the Group's production sites are regulated by various internal documents, including the Code of Conduct, internal regulations, rotation work regulations, a recruitment policy, remuneration and incentive scheme policies, health and safety rules, internal communication and recognition policies, training and development programmes, and a policy for working with foreign employees and under collective agreements, where applicable. In 2020 a number of special rules were adopted related to working during a pandemic.

Nordgold adopts a zero-tolerance policy when it comes to discrimination in the workplace and meets commitments to respect fundamental labour and human rights. Since 2012 we have run a hotline which operates in three languages and can be used by any employee to report violations of human rights, ethical behaviour, corruption, and fraud.

Nordgold analyses on an ongoing basis risks related to human resources management and takes appropriate measures to minimise them. Examples of our main risks are understaffing at main production units, low professional qualifications in terms of technical skills, a lack of constructive communication with trade unions, and violations of the laws of the countries where we operate or of human rights or ethical principles.

Risk management is performed through a number of policies, procedures, programmes, and initiatives to facilitate the implementation of the personnel management strategy and to avert risks. Nordgold in addition continuously carries out measures to retain and further develop qualified employees, and closely monitors the labour market.

Our key values

Respect for people

We place high value on people and the creation of an atmosphere of mutual respect and dialogue.

Safety

We never compromise on employee safety.

Efficiency

We are committed to the highest working and management standards to ensure the long-term growth of the business and the attainment of our long-term targets.

Collaboration

We value the trust of all our stakeholders and strive to create a positive working environment founded on cooperation, reciprocity, and responsibility.

In 2020 we continued to implement a number of projects and events at all business units to enhance organisational performance. The most significant of these were:

- Development programmes and assessments of employees working for technical services and in mineral resource management.
- A Fast Track young leaders development programme.
- Management development programmes, such as More than Gold and Perspective, and creating the Steps programme for supervisors in Africa.
- A new methodology to develop successors, based on the profile of the target position and a focus on practical experience for the future role.
- Online training programmes in three languages within the corporate online training platform Nordgold Academy, with a focus on standard procedures and internal practices: mining, maintenance, processing, mineral resource management, procurement, personnel management, IT, and leadership and management skills.
- Launching the West Africa Training Centre at Lefa.

Our response to COVID-19

After the onset of the COVID-19 pandemic we rapidly implemented a number of preventative measures and actions across all business units, and we continue to do our utmost to keep our mine sites safe for our employees, contractors, and suppliers. In 2020, the Group's expenses on COVID-19 preventive measures amounted to approximately US $15 million.

Active communication

- daily / weekly meetings with BUs
- conducting a COVID-19 information campaign to communicating new rules to employees

Organising testing and tracking statistics

- testing employees
- regularly tracking COVID-19 statistics

Changing rotation schedules

- twice in Russia, initially to three months and then to 59 days
- from biweekly to monthly in Kazakhstan
- twice in Burkina Faso, initially to 28+ days and then to 14

Site accommodation and catering

- establishing new accommodation and in some cases catering arrangements so that employees do not mix with local residents outside the mine site while on rotations (are accommodated onsite only)
- negotiating with catering providers affected by COVID-19 and who found it difficult to continue to work in some BUs

Medical staff and medical evacuations

- dealing with evacuations of sick employees and coordinating employee transportation to and from sites
- sourcing additional medical staff and contracting medical evacuation providers

Remote work and personnel availabilities

- organising remote work for head office staff by supplying computers, furniture, and documents

Personnel availability

- regularly monitoring personnel availability and recruiting additional staff where necessary

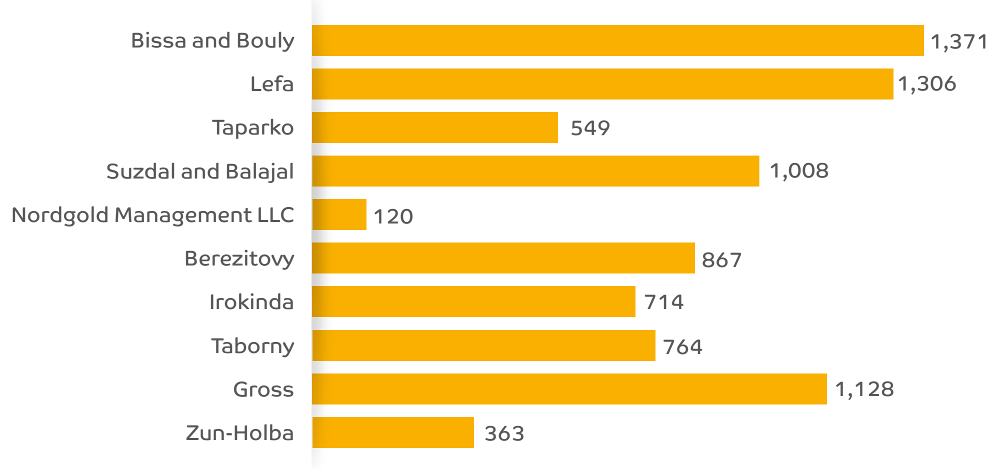
Diversity

Nordgold believes that diversity is essential for business, and proscribes all forms of discrimination. The Group adopts an attitude of zero tolerance towards any form of racial, religious, cultural, or gender-based discrimination. Our primary goal is to respect all commitments in the area of equality and diversity and to foster a working atmosphere where all people have an equal opportunity to contribute, and the voice of each and every employee is heard. Nordgold is an international group of companies that employs workers representing 34 nationalities.

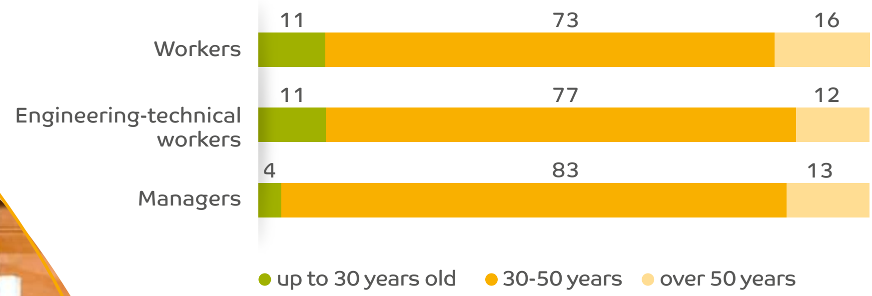
In 2020 the share of female employees did not significantly change, remaining at 7% in comparison with 2019. The relatively low share of women is explained both by the specifics of the mining industry (mainly rotation schedules are employed at all Group assets). That said, the share of women in managerial positions is now 17% (84 out of 490 positions). Under the upcoming ESG strategy Nordgold will seek to raise female representation at management level to 25% by the end of 2023. GRI 102-8

The average age of Nordgold employees has remained stable, and stood at 40.46 in the reporting year. The younger (under 30) and older (over 50) age groups are represented in approximately equal proportions: 10% and 15%, respectively. GRI 405-1

Total average headcount by mines, people GRI 102-7, GRI 102-8



Breakdown of Nordgold employees by category and age, %



Training and Development

We endeavour to be among the most attractive employers in the regions where we operate and to recruit highly qualified professionals in the industry that best fit our culture and technical standards. The success and growth of Nordgold's business depends directly on the professionalism and motivation of our employees. It is of great importance to Nordgold that our employees consistently fulfil their duties to a high standard, and that they share and uphold the Group's values.

Nordgold's professional development programmes consist of both mandatory trainings and individual development plans, and are divided into leadership programmes (for management) and technical trainings (for frontline employees).

A priority project at Nordgold is the internal online training platform Nordgold Academy. The main aim of the platform is to develop employees' capabilities and professional skills.

In 2020 all Nordgold employees underwent training of different types: 100% of employees did obligatory HSE training programmes, while 51% underwent professional skills development trainings. On average 12 hours of training were provided per employee, including seven related to developing professional skills and five to enhancing leadership skills.

In 2020, 7,759 employees participated in trainings and the number of training hours was 79,752 for workers and 8,811 for managers. Workers at Russian mines made up the largest share of employees trained.
GRI 404-1

Steps programme for WA supervisors

The Steps programme was launched in 2020 for West African supervisors, in collaboration with Management Centre Europe. It is based on the Nordgold set of leadership competencies. In 2020, 107 supervisors participated in a six-module training programme and elaborated mini-projects to boost efficiency at mines. The programme exceeded expectations, and BU management requested conducting additional waves, including for all supervisors and their successors. It is planned to launch a similar programme at mines in the CIS.

More than Gold programme for managers

The More than Gold programme for top management at BUs was introduced in 2020 in partnership with PWC Academy, and consists of integrated training sessions. In 2020, 78 managers from all Nordgold business units took part in the training. In 2021 it is planned to continue the programme with two new streams of managers and conduct 25% of it online.

Type of programme	Name of programme
Corporate programmes, focused on improving the leadership skills of managers.	• Executive Development Programme (aimed at executive team members and successors for these roles). • More than Gold (targets BU top management and future managers). • Perspective (for line managers and successors to first-level managerial positions). • Steps (for supervisors and team leaders). • Fast Track (for high potential young professionals, future leaders).
Trainings on developing the professional skills of employees.	• Maintenance Academy • Mining Academy • Inventory Management Academy • HR Academy • Procurement Academy • Metallurgy Academy

As part of individual development plans, some Group employees are trained internationally. In 2020, 13 employees from African business units were sent abroad to be trained according to their individual specialities. In addition, Nordgold actively supports the education of employees in external institutions, such as business schools, colleges, universities, and open conferences.

Nordgold offers various career development opportunities. Programmes such as Redeployment and Self-nomination focus on offering optimum career opportunities, including options to transfer to other business units, and receive feedback and recommendations for career advancement.
GRI 404-2

In 2020 over **1,000** Nordgold (or 13%) employees worldwide received new assignments within the Group (2019: 11%).

Remuneration and Motivation

Nordgold's current system of remuneration is designed to reward employees for their contribution to attaining high production goals. In order to ensure balanced, fair, and competitive remuneration, we regularly analyse salary levels in all the regions where we operate and aim to pay salaries in line with or ahead of the market. At each business unit salary levels are reviewed annually.

We strive to ensure that our remuneration system is transparent and comprehensible for each employee. The approach to payroll and bonus principles is clearly defined and set forth in internal documents in each business unit. The base rates for women and men for each employee category do not differ by region/ country of operation, as the rates for a single position are unified in each business unit. GRI 401-2

The employee incentive system also comprises such benefits as life insurance, medical care, and various types of financial assistance. Furthermore, Nordgold endeavours to provide our people with appropriate accommodation, food, protection, public services, transport, and recreational facilities.

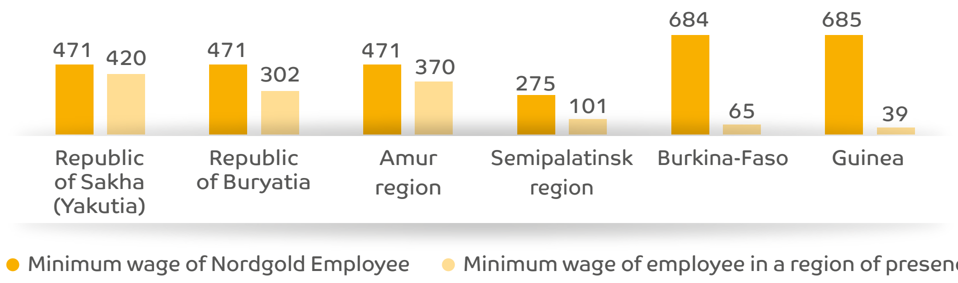
Nordgold endeavours to increase gender diversity and to eliminate the gender pay gap. Currently, there is no difference between the salaries of women and men and the gender pay gap is 1.0 in all the regions where we have operations. GRI 405-2 The minimum wage in Nordgold is at least 10 times higher than the minimum wage in the regions of West Africa, and at least double that in Kazakhstan. Employees in Russia are also paid the minimum wage, which is higher than the minimum wage in the country. GRI 202-1

Employee remuneration system

Top management of Nordgold and BU General Directors	Business unit (BU) management	Line personnel
• Base pay. • LTIP (long-term incentive plan), tied to long-term performance against operational and financial targets. • STI (annual short-term incentive plan) linked to annual objectives, such as OCF, LTIFR, gold production, continuous improvement targets, and ESG and functional targets.	• Base pay. • STI. Depends on annual KPIs such as BU OCF, LTIFR, ESG targets, gold production, the mining plan, processing volumes, recovery, and other targets, depending on the function.	• Base pay. Variable monthly pay, linked to performance against team objectives, such as volume of gold produced, material mined, ore processed, and safety.

[1]Sources: Regional agreement N 01.08-010-45 / 18 «On the minimum monthly wage in the territory of the Republic of Buryatia» dated 03.14.2018, Republican (regional) agreement on interaction in the field of social and labor relations during the period of Sakha (Yakutia) for 2017 - 2019 from 04/26/2017, Federal Law N 82-FZ of 19.06.2000.

Comparison of minimum wages of Nordgold entry-level employees with minimum regional wages[1], USD



Where applicable, Nordgold provides employees with flexible hours and individual working conditions. Depending on the circumstances, we provide the option to work remotely or from a location that is convenient for the employee. Part-time employment is available as well, if, due to personal circumstances, an employee is forced to switch to a flexible working format (the need to take care of a child, support relatives or family members, health reasons).

Retaining and Attracting Talent

Attracting and retaining the right people is vital to the success of Nordgold. We reject all forms of discrimination when selecting personnel and chiefly assess a candidate's professional competence, motivation, and potential for further growth. The Group uses a combined approach: recruiting from the market by creating talent maps, and developing and promoting internal nominees. We are interested in people with high professional qualifications and experience, as well as those who share the Group's values. Nordgold seeks to employ local people where possible and has agreements with local community leaders in West Africa regarding job posting and selection rules. In 2020 Nordgold took on 1,316 new employees.

Nordgold employees can develop within the Group and move to positions with different responsibilities or to other countries or regions. Under the Self-nomination programme, any Nordgold employee who has worked for at least 18 months for the Company can nominate themselves for an open position or for the Group's succession plan. The plan is created by nominating employees in discussions during Talent Review meetings. Employees put forward for the succession plan are verified through a combination of professional (technical) interviews, cognitive ability tests, and leadership potential assessments via a "second opinion" from independent assessors. Finally, an individual development plan is elaborated for each confirmed successor by comparing their current competencies with the profile for the target position. In 2020 the long-term succession plan comprised 268 people.

Human Rights

One of the core values embraced by Nordgold is respect for human rights. We do not tolerate any violations of human rights, including discrimination, physical or psychological harassment, assault, or any form of child, forced, or compulsory labour. GRI 408-1 In 2020 the Human Rights Policy was adopted by the SSD Committee under the Board of Directors. Nordgold also complies with the laws of the countries where we operate and adheres to the principles of the UN Global Compact, the International Labour Organization, and the International Bill of Human Rights.

Any suspected violation of human rights can be submitted directly to Nordgold's Hotline, which can be accessed all employees, suppliers, contractors, business partners, and community members. All inquiries are anonymous and made in confidence. We are constantly communicating with employees and have established a grievances mechanism that is tailored to local customs and cultural specifics. This approach ensures respect for human rights and promotes productive, respectful, and mutually beneficial relationships with communities in the regions where we operate. Read more: Ethical Business Conduct and Combatting Corruption.

Nordgold also provides trainings for different categories of employees and conducts human rights reviews and impact assessments to determine how the Group can make respective improvements.

In Africa, human rights impact assessments are conducted after training for community relations managers; in Russia and Kazakhstan human rights reviews are conducted for Security department employees. Also, suppliers undergo human rights impact assessments during their evaluations, through self-assessment. GRI 412-1

The following stakeholders completed human rights trainings in 2020:

- **76%** of Security department employees in Russia and Kazakhstan.
- **30** individuals, including the entire community relations team in West Africa, head office senior management, and BU managers.

GRI 412-2

In 2020 Nordgold conducted a human rights risks assessment of its supply chain. The focus was on the main suppliers of our West African assets: Bissa and Taparko in Burkina Faso and Lefa in Guinea. 33% of suppliers were assessed, and 98% compliance was recorded. Read more: Supply Chain.

We support employees' rights to freedom of association and collective bargaining. To maintain open and constructive dialogue with all stakeholders, Nordgold actively negotiates with trade unions at the Taparko, Bissa, and Lefa mines. Collective agreements cover 100% of employees in Kazakhstan and 96% at West Africa mines. In 2020 Nordgold revised collective agreements at Taparko, Bissa, and Suzdal. In addition, sectoral level agreements cover 96% of Nordgold employees. GRI 102-41

Corporate culture

Nordgold believes that a strong internal corporate culture is crucial for growth, and endeavours to maintain and develop such a culture. With this aim, since 2015 Nordgold has conducted an annual survey to assess employees' opinions, engagement, loyalty, and motivation towards attaining their performance goals. Through the survey, employees have an opportunity to submit recommendations, express their attitude towards the Group, and discuss operating processes, while management, in turn, can identify areas in need of development and improvement. Based on the survey, an action plan for each business unit is elaborated.

2020 employee opinion survey results:

- Over 6,700 people participated.
- The overall participation rate was up 10%, to 90%.
- Employee engagement rose 12 points to 81%.
- The share of highly engaged employees went up to 43% (vs. 22% in 2019).
- Nordgold evaluated two additional indexes: willingness to recommend the Company (eNPS, assessed at 41 points across the Group), and employee happiness index (68 points).

Nordgold adopts a specific approach for the non-material motivation of employees, which consists of internal communications, recognition, as well as organising professional competitions and corporate events.

At least once a year the Nordgold CEO holds conferences for the workforces of each business unit during visits to sites, to report on the Company's progress, remind employees about key issues, and to answer questions. In 2020, due to travel restrictions, these conferences were conducted online and the number of all-employee online meetings with the Nordgold CEO grew as a result.

Each year Nordgold holds a Company Day and Leadership Conferences, attended by delegations from each business unit. In addition to this, Nordgold holds Metallurgy and Safety days, an African motivational mining game, and corporate football championships and marathons.

Golden Employees

For the ninth year running Nordgold conducted The Golden Employees programme. Winners are chosen in four nominations, which correspond to the four Nordgold values of respect, security, efficiency, and cooperation. Each Nordgold enterprise chooses at least eight winners (two individuals in each nomination from different shifts) and an awards ceremony is held at each enterprise. In 2020, 66 employees were granted Golden Employee status.

In 2020 Nordgold increased the number of participants at corporate conferences and meetings with management through the implementation of fully online formats. All employees wishing to join were invited and could join a meeting live or watch a recording of the conference on the Nordgold Academy platform. The following online events were organised in 2020:

- The Nordgold Leadership conference was organised in July 2020 and involved over 400 managers. Employees found out about the latest Company news from top-managers, asked questions, took part in a corporate quiz game, and met with the majority shareholder. The most popular questions from employees were answered by the shareholder.
- A set of online meetings with the CEO was organised on a quarterly basis. The Nordgold CEO shared the Company's results, the latest news on COVID-19, and answered employees' questions.
- A set of webinars and lectures was held in order to support employees during the pandemic: lectures on social distancing and remote working skills and webinars on topics of general interest.
- The Nordgold end-of-year conference was held in December 2020. At the conference people were told about the year's results, which BUs were top performers, and the strategic plans for 2021..

Nordgold Vision Award

A new corporate award, called the Nordgold Vision Award, was introduced at Nordgold in 2017. The award consists of four nominations based on the four aspects of the Nordgold Vision, and is held annually at four Nordgold Business units, based on their results and achievements. In 2020 the winners were: the nomination High Quality Asset, won by Neryungry-Gross; the Leading Practices award (Lefa mine); the Building Shareholder Value prize (Taparko); and People Focus (Bissa).

Nordgold continuously improves accommodation and living conditions at mines, and runs a three-year social and living standards programme, 80% of which has already been achieved. In 2021 the programme will continue.

Performance and Plans

In 2020 the number of Nordgold employees was slightly less, by 1.15% to 8,190. 48% of Nordgold employees are employed in Russia, 40% in West Africa, and 12% in Kazakhstan.

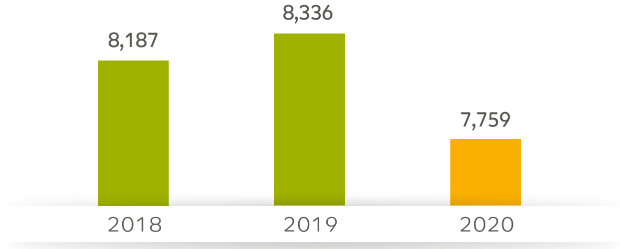
In 2020, 1,316 new employees were recruited by Nordgold, 73 of which were women. The undesirable turnover rate declined significantly, from 11.3% in 2019 to 6.8% in 2020. This was due to the Group's focus on the internal promotion of employees (13% of all employees received new appointments and internal promotions in 2020) and significantly enhanced employee engagement, by 12 points, to 81%. GRI 401-1
Read more: Corporate Culture.

Nordgold investments in employee training and development dropped 49% compared to the previous year, to approximately US$2.2 million in 2020. The reason behind this significant decline was the cancellation of face-to-face programmes and events, which were replaced by online formats. 83% of the target group was enrolled in programmes in 2020, and all required participants will complete programmes in 2022. We will continue to invest in and develop our employees, despite the prevailing challenging conditions.

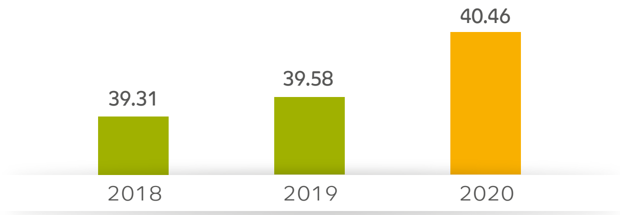
Nordgold constantly improves the HR management system by introducing new initiatives, automating business processes, and making significant investments. In 2021 and in the midterm Nordgold plans to:

- Increase female representation at management level and achieve a 25% share of female managers by 2023.
- Continue with and expand current training programmes such as Steps, and all technical training programmes, including the Mining Academy and Maintenance Academy.
- Launch new programmes: The Academy of Industrial Safety.
- Continue with the three-year social and living standards programme.
- Significantly expand digital HR Services.

Total employee headcount GRI 102-7

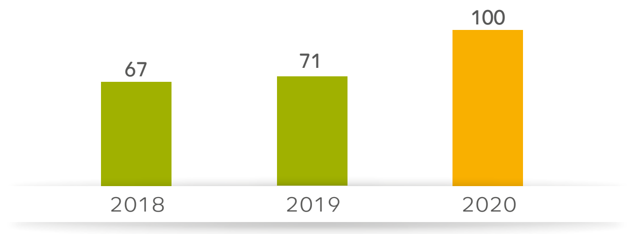


Average age of employees GRI 405-1

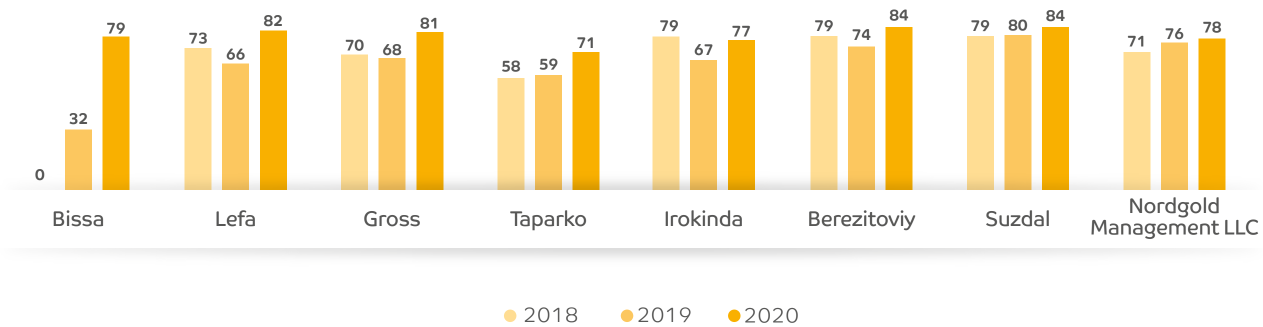


Share of employees participating in training and development programmes, %

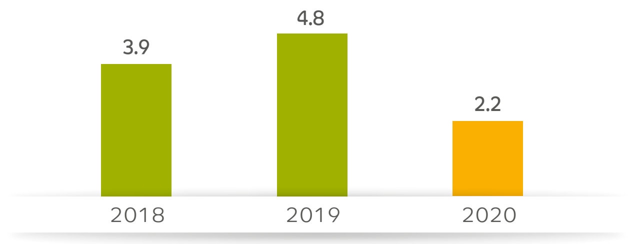
GRI 404-1



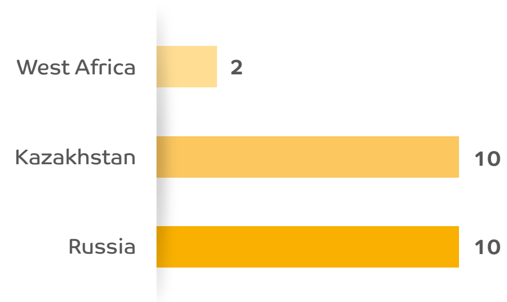
Employee engagement index by mines, %



Investment in training and development, USD



Undesirable staff turnover 2020, %



Socio-Economic Development

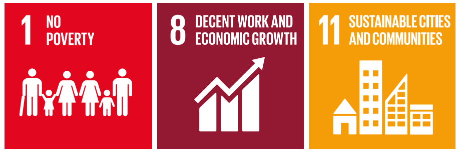
2020 highlights

- **US $128m** paid to governments including tax payments[1], dividends, and funds for infrastructure improvements[2]
- **US $2m** in social investments
- **240+** people attending trainings in income-generating activities
- **18** potable new water sources built
- **57.8%** of purchases made from local suppliers and partners

[1] Taxes payments include corporate income tax, mining tax/mineral extraction tax, flat and surface taxes.
[2] Based on the Report on Payments to Governments 2020

In this section

Global Sustainable Development Goals



Contributing to the Development of Regional Economies

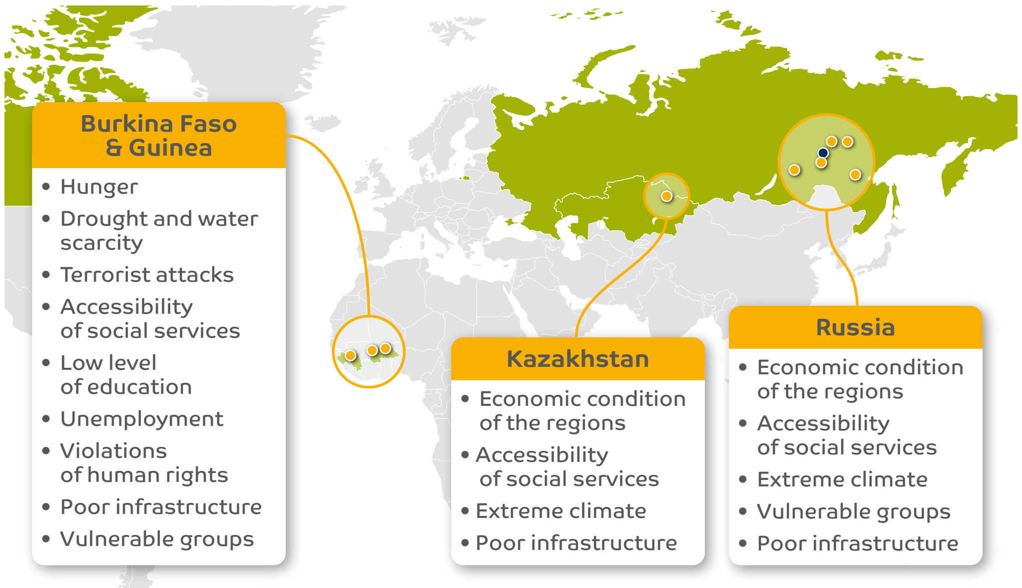
GRI 203-2, GRI 413-1

Social responsibility is a fundamental part of our business. Nordgold is committed to supporting local communities and building strong, long-term, and transparent relationships with them. Understanding the cultures, features, and needs of each region where we operate allows us to find the most effective ways of dealing with issues and to make a meaningful contribution to economic and social development. We address the most challenging issues in the regions where we operate, to ensure that people get the most out of working with us.Our investment approach in the countries where we operate is based on international standards in order to meet the needs of local communities in both the short and long term. In November 2020 Nordgold adopted the Policy on Corporate Social Development Programmes, which is designed to foster constructive interaction with all our stakeholders when addressing urgent social issues, while maintaining Nordgold›s social license to operate.

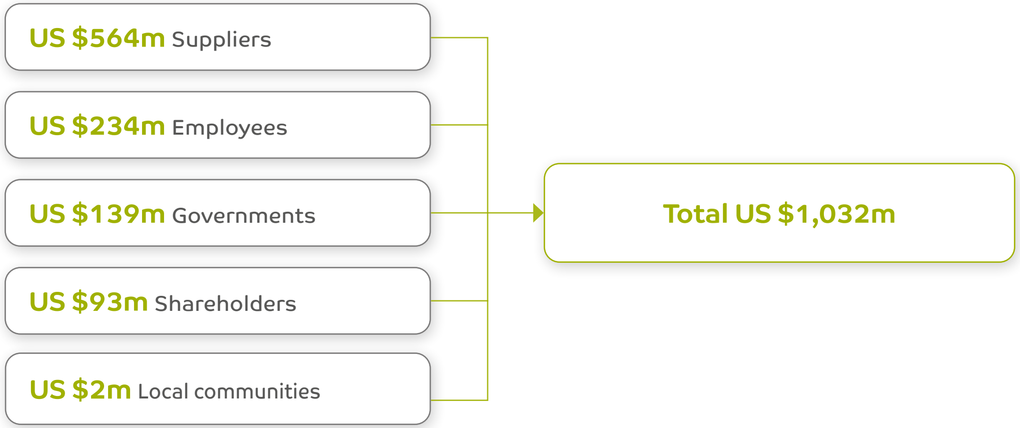
Since 2014 Nordgold has had a Community Relations Policy, which outlines our commitment to building and maintaining relationships of mutual respect and trust in each country where we operate. In the reporting year we also introduced the Nordgold Transparency and Community Consultation Guidance, which sets out Nordgold's general approach to stakeholder engagement.

Nordgold business units contribute to society through paying taxes, creating jobs, providing healthcare and education opportunities, and developing social entrepreneurship.

Main socio-economic challenges in countries of operation



Distribution of economic value GRI 201-1



We prioritise recruiting local staff and hiring local contractors in our countries of operations. Thus, over 8,000 people are employed at our mines and the share of expats is less than 2% of the total workforce. In addition, in Africa the Group has agreements with local community leaders regarding job posting and selection rules.

Nordgold is a significant taxpayer in the regions where we operate. We remit US $128 million to governments, including tax payments[1], dividends, and funds to improve infrastructure (voluntary contributions and charity payments are not included in this figure).

We invest in social initiatives and community development programmes across our operations. These include the building and on-going support of schools and health clinics, infrastructure construction, ensuring a clean water supply, workforce support programmes, assistance to local farmers, and a range of supportive measures for many of the more vulnerable people in the societies where we operate.

Taking care of the environment and biodiversity is another significant area for the Group to support and develop the well-being of the regions where Nordgold mines are located. We are convinced that by funding projects to support ecosystems and biodiversity, Nordgold contributes to the sustainable development of the regions where we operate. Projects here included a study of the snow leopard (included in the IUCN Red Book) and planting trees and combat desertification measures (on 171 hectares in Africa over 38,000 trees were planted). Also, in Russia, a project was implemented to reduce risks for migratory birds, for this, a deterrent system was installed at production site, which prevents birds from entering dangerous areas.

[1] Tax payments include corporate income tax, mining tax/mineral extraction tax, flat and surface taxes.

Social investment

We strive to align our social development programmes with SDGs and Nordgold's corporate values, focusing on regional and local projects, and reflecting the specific social conditions of local communities. Education, healthcare, and the accessibility of social services are key focus areas on which we concentrate our main community engagement activities.

OUR TARGET
Increase by 2023 community investments by 50% (compared to the 2019 base).

Accessibility of social services

Nordgold has made a significant contribution to improving the quality of life in the regions where we operate. Our social investment programme is developed in consultation with representatives from local communities to deliver ongoing benefits that will last after a mine's closure. Our primary goal is to create money-generating activities and to build infrastructure that will help communities develop its social and economic potential. In 2020 various projects were implemented in the areas of creating infrastructure, empowering women, developing local entrepreneurship, and supporting culture and health. GRI 203-1

Key results

- **18** Potable water sources (Total: 80+)
- **3** Religious buildings (Total: 15+)
- **1** Community and women centres built (Total: 10+)

Nordgold is a member of associations and unions that work towards developing and improving the regions of West Africa, Kazakhstan and Russia.
Read more: Partnerships and participation in national and international initiatives.

Where mining activities require the resettlement of communities, we ensure that our activities foster the creation of even better living conditions under the Project Affected Persons (PAP). We always perform resettlements in line with IFC Performance Standard 5 and other related standards. After a resettlement is complete, we conduct a targeted livelihood restoration programme and further monitor the efficacy of the implemented programmes. The Group has an internal Resettlement Framework in place, which establishes the procedure for performing proper resettlements. Also, in 2020 Nordgold conducted a training by Insuco on Involuntary Resettlement Risks and its Human Rights aspects. The Group is primarily guided by IFC Performance Standard 5 and national legislation.

All resettlements are subject to prior consultations with the affected community and an appropriate impact study and resettlement action plan (RAP). As recommended by the IFC, in 2021 an internal audit of the Bissa and Bouly resettlements will be carried out in order to ensure progress on the livelihood restoration programme. The reference framework for the audits will be IFC Performance Standard 5. Should any material gap be identified in an audit, Nordgold will address it with appropriate resources and funds.

OUR TARGET
by December 2023 complete audits of the Bissa and Bouly resettlements (Burkina Faso).

Resettlements serve as an additional opportunity to create economic advantages for local businesses and workforces. Contracts for housing and infrastructure constructions and water borehole developments are awarded to local enterprises. In addition, in 2020 during the Zandkom resettlement (Burkina Faso) around 200 individuals received temporary jobs during construction works. GRI MM9

The infrastructure development programme in the West African region consists of the construction and development of significant public facilities for communities. In 2020 the Group invested in and participated in implementing projects to build communication routes between the villages of Guibare-Koundoula, provided electricity to the villages of Bissa and Imiougou, built water towers, purchased essential equipment for local hospitals, and maintained and developed the agro-industrial complex. Along with responsibility for regional development comes responsibility for ensuring safe access to these benefits. For security reasons, some resources were allocated by the Group to bolster administrations in local communities, for example, police stations in the village of Mane received new motorcycles.

In Russia we support local communities under socio-economic agreements and the Mining for a Better Future social projects contest. Agreements are in force with the Olekminsky District and the Tian national 'nasleg' (rural settlement), as well as with the Tyanya nomadic kinship community. The most recent agreement was signed with the Olekminsky District and Nasleg in December 2020 (for US $94 thousand), and will be valid for the period 2021–2023. This money was used to fund various social initiatives, including sponsoring charity events, children development programmes, providing assistance to retirees, and targeted appeals.

Since 2015 Nordgold has held the Mining for a Better Future social projects contest, which operates in the Amur Region and Buryatia. This initiative was supported by the Republic's authorities, as well as the local regional administration. The contest was run with the help of local NGOs. The main goal of the competition is to boost social and cultural activity in the districts and to support initiatives aimed at addressing social issues in the region.

We support with the low-in-number Indigenous Peoples of the Far North: Evenks of the Tyanya community living some 150 km from the Gross and Taborny mines. Every year we renew the social and economic development agreement with the Evenks community, and provide them with the fuel, vehicles, and other types of important goods.

We respect the special rights of indigenous people, always respecting Free, Prior and Informed Consent (FPIC) principles. A commitment to not undertake any activity without observing these principles is enshrined in the Nordgold Transparency and Community Consultation Guidance.

Already at the project stage we try to create new opportunities for local indigenous communities. The Pistol Bay development project in Nunavut (Canada) is located in proximity to the Whale Cove Inuit community. We provide the community's members with jobs, as well as fuel and direct support. In 2020 the activities were suspended due to COVID-19, however, in 2021 we plan to resume them.

Since 2017 Kazakhstan concluded a five-year development programme for the area around the Suzdal mine to fulfil socio-economic obligations between FIC Alel and the Ministry of Investments and Development of Kazakhstan. We contribute to creating and fostering comfortable conditions for vulnerable social groups, which is a priority area of investment in this region. In 2020 funds were allocated to improve living conditions for the elderly, sponsor charity projects, and for targeted campaigns, however, children have been and remain the key area of social investment in Kazakhstan. For orphans, special houses were built and equipped, and support was provided to a regional programme in the East Kazakhstan Region.

In addition, Nordgold annually supports the Historical Museum in Moscow and the State Russian Museum in St Petersburg. Also, we are honoured to sponsor the Benois De La Danse ballet competition in Moscow. A portion of our social investments comprises direct donations upon request.

Empowering women

Empowering women is a key focus within Nordgold's corporate responsibility and sustainable development efforts and is aimed at preventing women from becoming exposed to the harmful effects of illegal mining. As part of our work in this area we sponsor the implementation of entrepreneurial projects and the development of professional skills in order to provide women with a stable source of income. In 2020, over 500 women received support from Nordgold. In addition to large-scale trainings in the traditional manufacturing of soap, clothes, and furnaces, we provide them with microcredits which help them run their own small businesses. Our loans project requires integrated legal support: from the legal framework of the managing fund to the legal protection of borrowers. As most borrowers do not have basic literacy skills, not to mention financial or legal literacy, legal expertise is needed to ensure that the rights of borrowers are well protected.

Our programme includes providing loans for the purchase of livestock and financial support for veterinarian needs. During this period, women learned how to be economically independent and how to manage their own incomes, with a view to building small, prosperous businesses.

Mining for a Better Future

The social projects contest is intended to support ideas from residents of the northern territories of the Republic of Buryatia and the Amur Region to resolve pressing social issues. Over the five years in which the competition has been held, 108 projects have been implemented, with a total investment of US $76.2 thousand. The main areas of support comprise the development of additional education for children, the revival of forgotten crafts and traditions, tackling environmental issues, and the social adaptation of people with disabilities. By the end of 2020 residents of the Muisky and Okinsky districts in Buryatia had successfully implemented 20 socially significant projects, totalling US $13.8 thousand, as part of the grant competition Mining for a Better Future.

Most implemented social projects in the Muisky and Okinsky districts have fostered the development of sports and physical culture, including building a new sports ground in Ust-Muya, the Children's and Youth Sports School in Taksimo opening a new acrobatics section, an additional wing for boxing in Taksimo Children's and Youth Sports School, and building a playground in the remote village Ul'zete.

In addition, some initiatives are aimed at developing opportunities for creative and other social forms of self-realisation, including purchasing musical equipment for employees of the culture centre in the village of Khara-Khuzhir in the Muisky District, establishing photographic and road safety schools at the Taksimo city library, and fostering conditions to facilitate creative self-realisation and entertainment events for pensioners in the village of Severomuisk.

Projects implemented in the Amur Region include the construction of a puppet theatre, commemorative projects dedicated to World War II, and refuse collection activities along the banks of the Urusha River.

Education

Nurturing education is one of the most reliable ways to build a solid basis for further sustainable development. It is crucial for us to know that, after the closure of a mine, local communities will continue to prosper. Nordgold invests funds, experience, and knowledge to improve living standards and the ability of local people to develop required skills. Educational programmes supported by Nordgold are in place for both children and adults. Thanks to Nordgold, over 15,000 kids have been able to go to school, and 33 schools in total have received equipment purchased by Nordgold.

Key results

- **240+** people attending trainings in money-generating activities (Total: 1600+)
- **4** Schools built and renovated (Total: 90+)

In 2020 Lefa completed the construction of a new high school in the village of Lero, investing more than US $200,000 into the project. The school will allow children from the community, as well as the children of Nordgold's employees, to continue their studies locally, up to sitting baccalaureate exams. Also, over 30 local schools received support in the form of renovations or the purchase of necessary equipment. On examination days, Nordgold organises the transport of children to special centres, where they sit exams. The best students are awarded our scholarships, which provide them with an excellent opportunity to become qualified specialists and to secure a high-paying job. Nordgold rolls out trainings in areas such as breeding animals, welding, mechanics, carpentry, and beekeeping. Nordgold mines in Russia and Kazakhstan undertook measures to support low-income families. Before the start of the school year, the Buryatzoloto, Berezitovy, and Suzdal mines provided financial assistance to purchase clothes, footwear, and school appliances for those in need.

In Kazakhstan the allocation of funds for social programmes in the city of Semey resulted in improved development and education conditions for around 100 children in orphanages. Another initiative was aimed at supporting school leavers in the village of Znamenka; children received a scholarship, which gave them an opportunity to continue with their education in colleges or higher educational institutions.

Back to school

The Berezitovy mine helped young people from Skovorodin prepare for school by taking part in the charity events Hello, school! and Urgent social assistance: US $2 thousand was spent on purchasing clothing, shoes, and school supplies for children in families facing challenging life situations. The organiser was the Amur Regional Branch of the All-Russian Public Charity Russian Children's Fund. As a result of this initiative, 110 schoolchildren from the Skovorodinsky District of the Amur Region received necessary supplies for the new school year.

Healthcare

Nordgold is convinced that by raising the level of financing for health systems, improving sanitation and hygiene levels, and expanding access to doctors, significant results can be achieved in the area of helping to save and improve lives.

Key results

- **2** Healthcare facilities built and renovated (Total: 10+)

In Burkina Faso and Guinea improving local clinics, expanding access to doctors, and the regular maintenance of ambulances are key aspects of financing the healthcare system. In Kazakhstan and Russia in 2020 Nordgold allocated financial resources for the purchase of additional medical equipment, personal protective equipment for medical staff, and equipment for the treatment of patients with COVID-19.

The unprecedented COVID-19 pandemic has highlighted the need to be prepared for emergencies. The Group managed to prevent the spread of the virus by ensuring the timely introduction emergency measures at work, through maintaining maximum sanitary and hygienic conditions for the Group's employees and their families, advising the local community on safety measures, and providing financial support to regional health authorities. Nordgold has contributed US $30,000 to support the Guinean Ministry of Health's efforts to combat the COVID-19 pandemic. We also instigated awareness campaigns, provided necessary equipment, and financially supported healthcare facilities at all our mines. Total investments in host countries to combat COVID-19 stood at US $260,200.

Socio-cultural projects

We respect the culture of the people on whose land we operate. Therefore, it is important for us to support the traditions of local communities and cultural and historical projects. Nordgold treats with care and respect the traditions of the countries and regions where we work. We invite representatives from local ethnic communities to consult on social programmes and sponsor the development of these communities. Some of our initiatives in this area are listed below.

Theatre Stage project

The Nordgold Theatre Stage project won the Silver Archer Prize-Far East (Vladivostok) in the Best Project of 2019 in the Development of Internal Corporate Communications and Media nomination.

As part of the Nordgold Theatre Stage project, timed to coincide with the Year of Theatre in Russia, a series of short videos was created, in which employees of gold mining enterprises of the international company Nordgold became actors and performed monologues of their favourite theatrical characters at live settings in the mines.

Through this project we demonstrated that Nordgold employees — people belonging to technical professions working in a remote mountainous area in Yakutia, in the most complex industrial enterprises — have the desire and opportunity for creative self-realisation.

MineMovie Festival

The film Four Stories, created by the Buryatzoloto mine, was a winner at the II MineMovie-2020 Festival of films about the mining industry, as part of the MINEX-RUSSIA-2020 Forum.

The festival jury awarded the film Four Stories first place in the nomination Best Film About Social and Environmental Projects. Second place went to Severstal for the film Severstal's Cities. Reindeer Herders, and third place went to Highland Gold for the film Multi-Vertex. Solving Problems Together.

The video Four Stories is based on stories about the Nordgold collective. The film shows unusual people who work in mines, their families, home, and native places. Each story told in the film is unique, unusual, and thought-provoking. We hope that we were able to reveal details about these people and, using real-life examples, portray how Nordgold employees are: sincere, modest, courageous, and truly happy.

Children of War and Workers of the Home Front monuments

Nordgold took part in a memorable project which involved repairing the monument to the Soldier-Liberator in the Victory Park in the village of Orlik. Alongside the monument now stands Children of War and Workers of the Home Front monuments, which are in the form of a man and a woman who worked in the harsh years of the Great Patriotic War, and a little boy sitting on a yak.

On 9 May 2020 in Taksimo (the administrative centre of the Muisky District) artistic teams held small concerts in the courtyards of the town. Residents were able to take part in these festive events and perform much-loved songs with the artists, all the while adhering to sanitary and epidemiological restrictions.

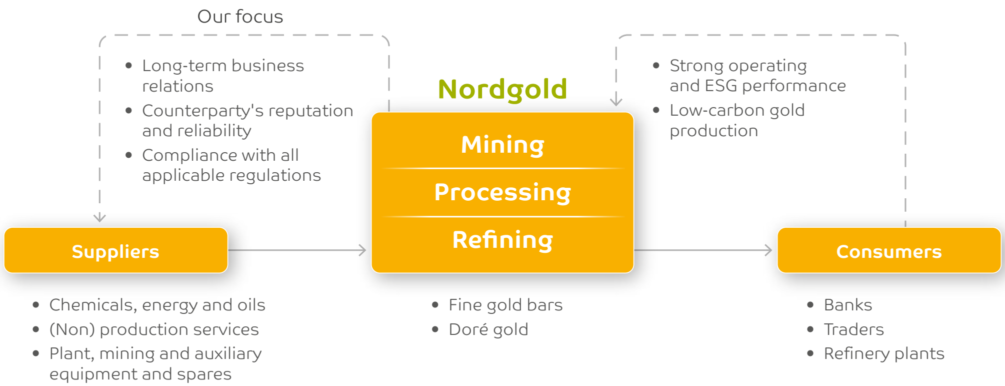
Supply Chain

GRI 102-9

Having a responsible supply chain in place is essential for the sustainable development of Nordgold. We ensure transparency within our procedures and endeavour to establish open and fair partnerships. As a global gold producer, we expect our suppliers and customers to comply with local laws and regulations, as well as with our own policies and codes of conduct. This includes adhering to best practice in such areas as labour and human rights, safety, environmental management, business integrity, and supporting economic development.

We recognise all of the above and strive to make balanced decisions based on the interests of all our stakeholders. Nordgold seeks to manage economic, social, and environmental impacts throughout the supply chain and to maintain our status of being a responsible market player.

Nordgold supply chain



Nordgold purchases from Russian suppliers chemicals that are used in extracting gold from ore, energy resources and oils, as well as production and non-production services. Mining and transport equipment, as well as spare parts, are mainly imported into Russia. In Kazakhstan and West Africa the principle of procuring from local suppliers is similar: companies purchase fuel and lubes, spares for equipment, production and non-production services, as well as energy resources (Kazakhstan) and cement (Africa).

The main product of the Group is fine gold bars. Finished products from Africa are sold through Swiss traders, which also refine the metal. In Russia we sell gold to authorised Russian banks, such as Otkritie and VTB, which were the two main purchasing banks in 2020. In Kazakhstan, the entire production volume is purchased by the Tau-Ken Altyn refinery plant. GRI 102-6

Supply chain management

Most purchases for Nordgold businesses are centralised and made with the involvement of the Supply Department of Nordgold Management LLC (around 90%, the remaining 10% are made directly by business units). In 2020 the Group focused on the deeper integration of the Shared Service Centre (SSC, Severstal subsidiary) into procurement process support procedures.

By implementing this integration, we concentrate competences at management company and SSC level, and also reduce the number of staff at business units. Currently a transfer of procurement activities to the SSC is taking place at Russian business units, and for international business units it is planned to commence in 2021. In Africa we have already partially integrated the creation and maintenance of orders, as well as interactions with suppliers in a number of centralised categories.

Digitalisation is currently at the forefront of Nordgold's procurement function development. The process of interacting with suppliers is carried out via the SAP SRM (Supplier Relationship Management) system. All goods and services are purchased through this system: an internal customer submits a request, then it is processed by our planning managers, and then the procurement department implements the purchase through the SRM. Thus we are able to build effective long-term relationships with suppliers and reduce time and other procurement-related costs.

In our 2020 results we demonstrated high-quality work within the procurement function in the context of the significant restrictions brought about by the COVID-19 pandemic. Deliveries of essential reagents and materials were uninterrupted and all respective needs were met. Inventory stocks were increased, delivery schedules were altered, and, in the event of delays, alternative sources of supplies were found. Thus we adjusted rapidly to the restrictions, primarily in terms of logistics. At present we do not see any significant risks associated with the pandemic for Nordgold; inflation risks remain the most significant for the Group.

In 2020 there were no significant changes to the Nordgold supply chain, with the exception of outsourced purchasing and forwarding activities from West Africa to Russia. GRI 102-10

Building strong relationships with suppliers

Nordgold makes significant efforts to promote a sustainable approach to operating among its suppliers and contractors, by enshrining high standards in our policies. Supplier selection is made by the Tender Committee using multiple criteria. Counterparty due diligence is carried out at the tender preparation stage and during the contracting and execution of contract terms, both on a periodic basis and on request. Due diligence includes assessing a counterparty's financial standing, signs of bankruptcy, conflicts of interest, and other indications of unreliability. Particular attention is paid to verifying information on the non-compliance of a supplier with human rights and international sanctions.

The sources of information for these controls comprise open resources, information-analytical systems, the media, market research, scoring, exhibitions, presentations, and feedback from companies with which the supplier has worked previously. Nordgold also has internal controls in place to identify signs of unreliability of the supplier. Within the framework of concluded contracts we continue to monitor the financial standing of contractors and their compliance with human rights, using our own systems and through personal meetings with the employees of the contractor.

If any information is received about the unreliability of a contractor, the Security Department recommends refusing to invite this supplier to participate in a tender or not to enter into a contract with it.

To facilitate effective interaction with suppliers, Nordgold has established the Code of Business Conduct and the Ethics and Suppliers Code of Conduct. The Corporate Code of Business Conduct and Ethics, approved by the Board of Directors, sets forth Nordgold's commitment to fair and ethical relationships with partners. The Suppliers Code of Conduct establishes requirements for all our suppliers and contractors in terms of human rights, the environment, health and safety management, anti-corruption, and business integrity.

In 2020 the Suppliers Code of Conduct became an integral part of all Nordgold contracts. By signing a contract with us, suppliers and contractors acknowledge their compliance with our principles relating to health and safety issues, human rights, business ethics, and the environment. In addition, in 2020 we elaborated the Human Rights Policy and 4th Year Anti-Slavery Statement, which also cover responsible behaviour for both ourselves and our partners. Non-compliance with our principles can serve as grounds for terminating a partnership.

In 2020 Nordgold conducted a human rights risks assessment for its supply chain. Our primary focus was on the main suppliers of our West African assets: Bissa and Taparko in Burkina Faso and Lefa in Guinea. These represent around 30% of the total Nordgold annual procurement volume by expenditure. The total level of compliance was 98%, and only minor gaps were identified. The remaining 2% of the non-compliance concerns some non-critical gaps. We are cooperating with the relevant suppliers in order to close the gaps out and to achieve a 100% compliance level in the 2022. In the next few years Nordgold plans to further assess our main suppliers. And for 2021 and 2022 our focus will remain on West Africa. GRI 414-1

Each quarter the Safety and Sustainable Development Committee monitors the safety performance statistics of contractors and has recommended that contractors should, from a safety perspective, receive the same treatment and adhere to the same requirements as Nordgold's employees. Nordgold adheres to a target of zero fatalities among employees and contractors. To enhance the culture of workplace safety, we have introduced safety ambassadors at our business units (in both Russia and Kazakhstan). These are specially trained people who deal with safety issues, with an emphasis on supervising and preventing hazardous working conditions for contractors.

We consider the safety of our suppliers and respect for environmental requirements to be priority areas in our interactions with suppliers. The HSE section (which consists of a set of mandatory safety and environmental rules) is an integral part of any contract covering physical works (e.g. construction) organised onsite or outside our assets, or for planned site visits. In 2020, 100% of such contracts, or 47% of the total number of contracts, were signed.

Creating value for local communities

Nordgold endeavours to prioritise local suppliers whenever possible. Nordgold selects suppliers not only based on the aforesaid criteria, but also in accordance with related environmental and social criteria. For example, at African business units we use agreements with governments that oblige us to support the development of entrepreneurship domestically, while in Guinea around 60% of procurement must be through local companies. Furthermore, to support local businesses, we aim to attract companies from the regions to tenders for construction work. The share of purchases from local suppliers is also regulated in Kazakhstan by respective subsoil licenses.

We also encourage local farmers to increase their capacities and supply their products to our mines. Companies selling fruit and vegetables, meat, liquid, soap etc., have an opportunity to sell their products to us via ATS, Nordgold's housing and catering services onsite provider. ATS assists farmers in setting up their business by directing them to appropriate public services, and also in certifying them in accordance with the best HSE standards. Farmers are also offered health, safety, and environment training to comply with

certification standards, and partnerships are concluded after an approved HSE audit. At the same time, this certification allows farmers to have other customers requiring the suppliers to be certified. Total revenue generated by food, soap, and other goods' purchases from local communities stood at US $1.4 million in 2020.

In 2020, 147 community members were trained in various areas, including workplace safety, quality standards, and environmental protection by the Taparko team of ATS. In 2020 at Bissa 13 young people benefited from the ATS internship programme and 90 local vendors and community people underwent training in quality standards, environment preservation, and the proper use of fertilisers.

When a community development initiative is implemented by Nordgold, local suppliers are also prioritised. During community development programmes in Guinea and Burkina Faso in 2020 (including at the start of 2021), local suppliers received contracts worth US $1.1 million.

Tax Policy

GRI 207-1

Being a responsible taxpayer is one of the basic principles of our business. It allows Nordgold to maintain the status of being a reliable partner and to fairly contribute to the well-being of our stakeholders, including local communities and employees.

The Group published the Nordgold UK Tax Strategy to communicate the tax management policy within Nordgold and the Group. We are committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities.

The Board of Directors is aware of the ultimate responsibility for Nordgold's tax strategy and tax compliance. The Board also regularly discusses the impact of taxes on the Group's operations, including monitoring recoverable VAT in different jurisdictions with a view to ensuring that the Group pursues responsible tax practices. The Chief Financial Officer (CFO) bears executive responsibility for tax issues and reports to the Audit Committee and the Board on Nordgold's tax affairs and risks. The CFO also annually reviews and updates the tax strategy, together with the Chief Legal Officer. The overall management of taxes is carried out by the tax department of the management company, as well as tax managers in international business units.

Nordgold is committed to full compliance with all respective regulatory and other obligations and sees this commitment as being an integral element of our reputation as a responsible corporate citizen. Our tax affairs are regulated in such a way that correct amounts of tax are paid on time. Group representatives liaise actively with tax inspectors, which allows us to build an effective tax administration. We always immediately provide requested comments, information, and documents to authorities in accordance with current legislation. GRI 207-3

Nordgold pays special attention to tax risk management, since the taxation systems and tax regulatory frameworks of our regions of operation are relatively new and frequently change. Hence they are often subject to varying interpretations and contradictions, which leads to significant tax risks. Nordgold operates a system of tax risk assessment and controls as a component of the overall internal control framework applicable to the Group's financial reporting system. We seek to reduce the level of tax risk arising from our operations as far as is reasonably practicable, by ensuring that reasonable care is applied in relation to all processes that could materially affect our compliance with tax obligations. Appropriate trainings are held for staff outside the tax team who manage or process matters that have tax implications. GRI 207-2

We adhere to the principle of transparency in our reporting activities, following the standards of the Extractive Industries Transparency Initiative (EITI). Nordgold discloses all material information about taxes and payments to the federal budgets of the countries where we operate, annually publishing a Report on Payments to Governments.

Performance and Plans

GRI 207-4

Nordgold contributes to the development of the regions where we operate, through paying taxes, creating opportunities for local suppliers, and social investment programmes. In 2020 our social investments in the countries where we operate amounted US $2.0 million (2019: US $1.8 million). We will continue to expand our social investment programmes and thus bring long-lasting value to people.

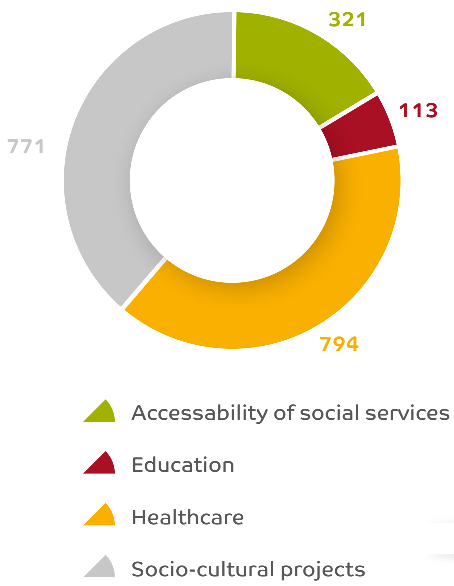
Nordgold pays all taxes and fees stipulated under tax legislation, including contributions towards local development and allocations for subsoil users for the socio-economic development of our regions of operation. In a number of countries where the Group operates our companies apply tax benefits established by applicable legislation, including income and severance tax benefits.

In 2020 Nordgold reported US$204.5 million in tax payments remitted to the governments of the countries where we operate including income taxes (US$43.1 million), employee taxes and payments (US$50.1 million), customer taxes (US$24.8 million), industry taxes (US$82.9 million) and other taxes (US$3.6 million). The effective tax rate remained roughly flat: 12% in 2020, compared to 14% in 2019.

In 2021 Nordgold will continue to comply with international tax legislation and seek to reduce the tax risks faced by the Group in the countries where we operate.

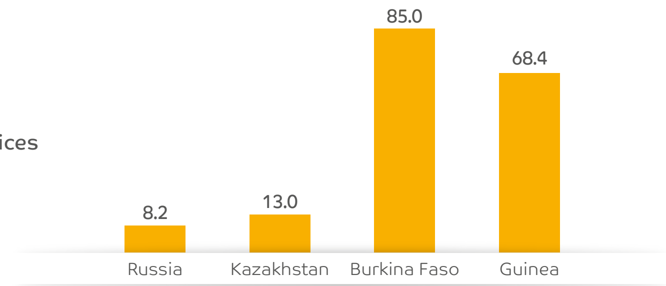
In 2020 the total number of Nordgold suppliers and contractors stood at 2,292. From these we purchased items and services totalling over US $640.1 million, 59.2% of which (US $378.9 million) was from local partners.

Social investment by category, USD thousand

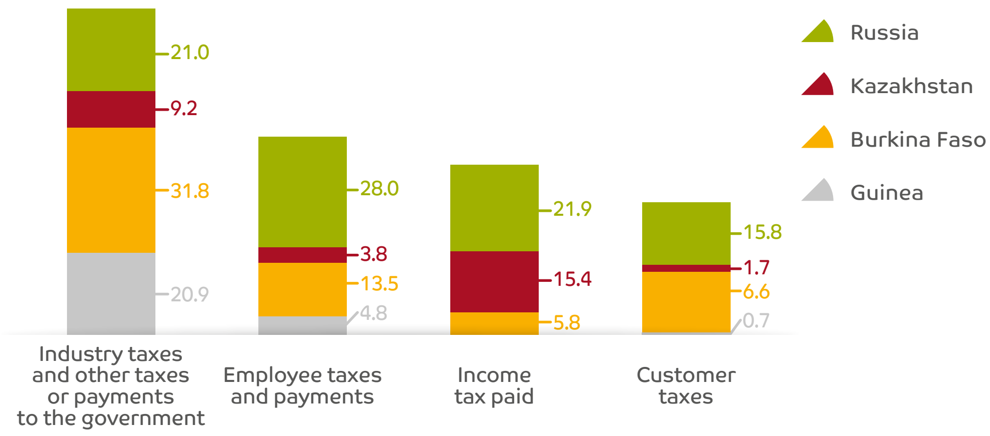


Share of local suppliers in total expenses on suppliers by country, %

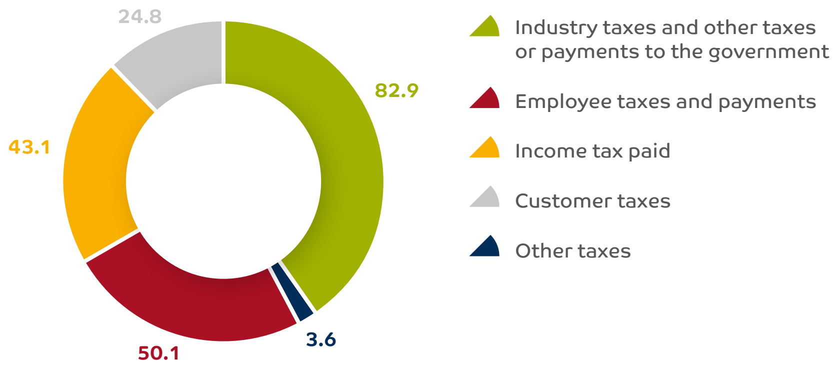
GRI 204-1, GRI 102-9



Taxes paid by Nordgold by tax type and countries, USD million



Total taxes paid by Nordgold by tax type, USD million



In order to further enhance sustainable supply chain management we plan to:

- continue the integration of SSC into procurement process support;
- elaborate environmental assessment methods for suppliers;
- improve the quality of services (including time indicators and cost reductions);
- continue with the digitalisation of processes;
- continue to perform human rights-related risk assessments of suppliers.

5

About the Report

About the Report

Approach to reporting

The 2020 Sustainability Report of Nord Gold SE, its subsidiaries, and controlled companies (also referred to as the "Group" or "Nordgold" herein) reflects the key results of the Group's sustainable development management practices from 1 January 2020 to 31 December 2020 and includes the Group's plans for 2021 and the medium term. The Report is published in both the English and Russian languages. GRI 102-50

The Report contains information about Nordgold's strategy; key events and results; principles of social responsibility and sustainable development; the impact of the Group's production activities on the economy, society, and the environment in the regions where it operates; and our interactions with stakeholders. Plans for the medium and long term given in the Report are predictive in nature. Their feasibility depends on a large number of factors, many of which are beyond the Group's control.

Since 2013 we have been disclosing non-financial information on an annual basis. GRI 102-52 The previous Sustainability Report 2019 was published in June 2020. GRI 102-51 Electronic versions of the reports are available on our corporate website: Reports & Policies (nordgold.com).

In 2020 the Report was prepared in compliance with Global Reporting Initiative Sustainability Reporting Standards: Core option ("GRI Standards"), and the GRI annex for the mining and metallurgical industry. The Report also contains data on contributions to attaining UN Sustainable Development Goals. GRI 102-54

Identification of material topics

The materiality assessment was conducted in order to identify topics that are most pertinent for stakeholders and our business for disclosure in the Report. The materiality assessment was performed in compliance with GRI Standards. The following criteria were used by the working group to identify whether a topic is material:

- significance of economic, environmental, or social issues within each topic for the Group
- stakeholder's decisions, materiality in terms of a global context, and relevant international initiatives

Therefore, stakeholders' representatives – both internal and external stakeholders – participated in the survey in order to determine important topics. A total of 37 questionnaires were collected, including 29 from the representatives of local communities, non-profit organisations, business partners, the investment community, public authorities, and local governments, including representatives from local authorities in Burkina Faso and Guinea. GRI 102-46

As a result, in 2020 the Group identified 19 material topics, including new topics relating to the Governance aspect (Sustainable management practices, Tax, Suppliers social and environmental assessment), Social aspect (Diversity and equal opportunities, Emergency preparedness and response), and the Environmental aspect (Emissions, Climate change, and Energy).

Read more: Materiality analysys. GRI 102-49

Data preparation methodology

The calculation, collection, and consolidation of economic, environmental, and social indicators disclosed in the Report were performed in compliance with GRI Standard reporting principles and requirements and on the basis of the current procedures in place for preparing management information in the Group. Data were collected within the corporate reporting system, including information received from business units. The Report was prepared using consolidated non-financial data and where possible contains information on three regions where the Group operates: Russia, Kazakhstan, and West Africa, and also audited financial statements.

The Report contains data for the 2020 calendar year and, where it seemed significant and for the comparability of data, for a number of years in a row.

Financial information is presented in US dollars. The reported figures were converted using the US dollar exchange rate for 2020 published by the Central Bank of Russia.

Restatements in indicators and changes to calculation methods have been indicated in the relevant chapters of the Report, where necessary. GRI 102-48

The accuracy of the data included in the Report is ensured during information gathering and consolidation using standard procedures and is confirmed by the departments responsible for preparing a corresponding block of information.

The data are subject to internal approval, and their completeness and correctness is checked by the departments which present them, as well as by the functional divisions of the management company.

In the midterm, we are planning to use an independent external assurance for disclosed sustainability data to meet best practices in non-financial reporting and our stakeholders' expectations. GRI 102-56

Reporting boundaries

The list of the Group's assets included in the financial statements is given in the Annual Report.

The sustainable development indicators for other categories, in particular for the environment, are mainly given for all major operating mines. The assets included in the Sustainability report are presented in the table.
GRI 102-45, 102-47

	Topic	Report, page	Operating mines								
			Irokinda (Russia)	Taborny (Russia)	Gross (Russia)	Berezitov (Russia)	Zun-Holba (Russia)	Suzdal (Kazakhstan)	Lefa (Guinea)	Bissa-Bouly (Burkina Faso)	Taparko (Burkina Faso)
	Environmental										
1	Biodiversity	36		+	+	+	+		+	+	+
2	Water and effluent	33	+	+	+	+	+	+	+	+	+
3	Waste	34	+	+	+	+	+	+	+	+	+
4	Emissions	37	+	+	+	+	+	+			
5	Climate change	39	+	+	+	+	+	+	+	+	+
6	Energy	47	+	+	+	+	+	+	+	+	+
	Social										
7	Occupational health and safety	50	+	+	+	+	+	+	+	+	+
8	Training and education	59	+	+	+	+		+	+	+	+
9	Employment	56	+	+	+	+		+	+	+	+
10	Local communities	66		+	+	+		+	+	+	+
11	Human rights assessments	61	+	+	+	+		+	+	+	+
12	Diversity and equal opportunities	58	+	+	+	+		+	+	+	+
13	Emergency preparedness and response	52	+	+	+	+	+	+	+	+	+
	Governance										
14	Economic performance	39, 66	+	+	+	+	+	+	+	+	+
15	Anti-corruption	23	+	+	+	+	+	+	+	+	+
16	Sustainable management practices	20, 25	+	+	+	+	+	+	+	+	+
17	Tax	75	+	+	+	+	+	+	+	+	+
18	Supply chain	72	+	+	+	+	+	+	+	+	+
19	Socio-economic compliance	23	+	+	+	+	+	+	+	+	+

Glossary

ATS	Nordgold's housing and catering services onsite provider
BAT	Best available technologies
BU	Business unit
CBAM	Carbon Border Adjustment Mechanism
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIL	Carbon-in-leach gold recovery processes
CIS	Commonwealth of Independent States
CLO	Chief legal officer
CO2	Carbon dioxide
COSO ERM	Committee of Sponsoring Organizations of the Treadway Commission
CPD	The Prefectural Development Council
CPEG	The Employers' Confederation of Enterprises of Guinea
CSR	Corporate social responsibility
EITI	The Extractive Industries Transparency Initiative
eNPS	Employee Net Promoter Score
ERP	Emergency Response Plans
ESG	Environmental, social, and governance
FODEL	The Local Development Fund
FRC	The Financial Reporting Council
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HIPO	Incidents with high potential material impact
HiTeCC	High Temperature Caustic Conditioning
HO	Head office
HR	Human resources
HSE	Health, Safety and Environment
HSEMS	Health, Safety and Environment Management System
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
ILO	International Labour Organization
IPCC	The Intergovernmental Panel on Climate Change
ISO 45001	Management systems of occupational health and safety
ISO 14001	Environmental management systems - Requirements
ISO 14064-1-2018	Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
ITIE	Extractive Industries Transparency Initiative
IUCN Red Book	International Union for Conservation of Nature Red Book
KPI	Key performance indicator
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long-term incentive plan
MINEX	Mining and Exploration Forum
NGO	Non-governmental organisations
OCF	Operating Cash Flow
OHS	Occupational health and safety
OPEX	Operational Excellence
PAP	Project Affected Persons
PCR	Polymerase chain reaction
PR	Public Relations
RAP	Resettlement action plan
RFID	Radio-frequency identification
SCADA	Supervisory control and data acquisition
SDG	Sustainable Development Goals
SOP	Standard Operating Procedures
SRM	Supplier Relationship Management
SSC	Shared Service Centre
SSD Committee	Sustainable Development Committee
TCFD	Task Force on Climate-related Financial Disclosures
TEX project	Technical ExcellenceProject. Project in processing with specific focus on TSF (SOP, people evaluation and development, organizational structure review).
TRIFR	Indicator of recordable injuries frequency
TSF	Tailings storage facility
UN	United Nations
UNDP	United Nations Development Programme
UNGPs	UN Guiding Principles on Business and Human Rights
VAT	Value-added tax
WWF	World Wildlife Fund

Contact information

The Group analyses all feedback from stakeholders on the information disclosed in its reports, which helps to improve our sustainability activities and non-financial reporting processes. For further suggestions and information about the Report, as well as sustainability performance, please contact us:

sustainability@nordgold.com

GRI 102-53