# + MAKING A DIFFERENCE



2021
SUSTAINABILITY
REPORT

CENTRAL ASIA METALS PLC

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OUR SUSTAINABILITY
FRAMEWORK

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# OUR COMMITMENT TO SUSTAINABILITY

Our purpose is to produce base metals, which are essential for modern living, profitably in a safe and sustainable environment for all our stakeholders.

Sustainability is at the core of our business values and the Central Asia Metals ('CAML' or the 'Company') team appreciates the importance of its integration into all of our activities, business strategy and planning.

#### OUR APPROACH

We have continued to engage with stakeholders and work to further progress disclosure of our sustainability activities, performance, challenges and achievements in 2021.

This report discusses our approach to maintaining safe operations, maximising the value we create for our stakeholders and our efforts to minimise negative environmental and societal impacts.

# OUR VALUES ARE EMBEDDED WITHIN OUR PURPOSE



**HEALTH & SAFETY** 



**SUSTAINABILITY** 



EFFICIENCY & INNOVATION



RESPECT & TRUST

FOR MORE INFORMATION SEE OUR 2021 ANNUAL REPORT

# SCOPE AND BOUNDARY OF THIS REPORT

CAML publishes an annual Sustainability Report and this is the third standalone report.

For each of the material topics identified on page 8, this report covers the impacts of the Company's activities at its two operations – the Sasa mine in North Macedonia and the Kounrad operation in Kazakhstan – and, where considered to be material to disclosure, the London head office. Data is provided for the 2021 financial year, ended 31 December, in line with its financial reporting, with comparisons for previous periods where possible. All financial figures are stated in US Dollars, with an average exchange rate of 52.055 MKD/USD being used for North Macedonia and 425.91 KZT/USD being used for Kazakhstan.

This document should be read in conjunction with the Company's 2021 Annual Report, and both reports are available on our website at www.centralasiametals.com.

This report has been prepared in accordance with Global Reporting Initiative ('GRI') Standards: 'Core option'. We are also pleased to have started reporting towards the Task Force on Climate-Related Financial Disclosures ('TCFD') in 2021. For further information, please refer to the GRI Content Index within the Appendix of this document.

We welcome any feedback or questions on our sustainability reporting from stakeholders. Please contact Louise Wrathall, Director of Corporate Relations, on louise.wrathall@centralasiametals.com.

# SUSTAINABILITY **OVERVIEW 2021**



Group carbon emissions

81,698tco,e 17%

Reduction in Group GHG emissions year on year

Employees from countries of operation

99%

Lost time injury frequency rate ('LTIFR')

Community support

\$0.5m

Average employee training during the year

36 hours

Tax paid in North Macedonia

Tax paid in Kazakhstan

\$30.9m

#### **MEETING OUR 2021 TARGETS**



#### **GOVERNANCE**

→ Zero human rights abuses •



#### **HEALTH AND SAFETY**

- → Zero fatalities •
- → Demonstrate a 15% decrease in the LTIFR over the last five-year period (LTIFR for 2021: <1.16)



#### **PEOPLE**

- → Implement three-year collective agreement at Sasa
- → Employees moved onto permanent contracts after 12 months' employment at Sasa •



#### **ENVIRONMENT**

→ Zero severe or major environmental incidents •



#### **COMMUNITY**

- → Zero severe or major community incidents •
- → 0.25% of revenues for Sasa and Kounrad committed to social investment •
- Achieved
- In progress
- Not achieved

Central Asia Metals is a diversified mining company with two low-cost operations producing three base metals essential for modern living.

# UNLOCKING VALUE IN BASE METALS

### **NORTH MACEDONIA**

#### SASA MINE

- + ZINC
- + LEAD
- + SILVER



Sasa is a zinc, lead and silver mine in North Macedonia, approximately 150 kilometres from the capital city, Skopje. The operation is an underground mine and the processing plant uses froth flotation to produce a zinc concentrate and a lead concentrate containing silver. These products are then delivered to smelters to be processed into metal. CAML plans to change the mining method at Sasa with a transition to cut and fill stoping from H2 2022 from the current sub-level caving method.

This is expected to lead to maximum recovery of mineral resources as well as improved storage of tailings for the life of the mine.

In 2021, the mine produced 22,167 tonnes of zinc in concentrate and 27.202 tonnes of lead in concentrate.

No. of employees 712

> Salaries paid in 2021

\$14.4m

Taxes paid in 2021 \$11.0m

Life of mine 16 years

Ore Reserve<sup>2</sup>

9.5Mt

Lead grade

4.1%

Zinc grade

2.8%

2 Ore Reserves have an effective date of 31 December 2021

#### **GROSS REVENUE** BY GEOGRAPHY



#### **GROSS REVENUE** BY METAL



\$56.4m

1 The silver revenue of \$1.9m is recognised in relation to the silver stream additional

arrangement. Lead revenue of \$56.4m includes silver by-product.

\$44.8m Silver

\$1.9m<sup>1</sup>

#### **EMPLOYEES** BY GEOGRAPHY



Kazakhstan UK 2%

North Macedonia 67%

#### **GHG EMISSIONS** BY GEOGRAPHY



Kazakhstan **70%** 

North Macedonia 30%

#### **KAZAKHSTAN**





In 2012, CAML completed construction and began producing copper from the Kounrad in-situ dump leach and solvent extractionelectrowinning ('SX-EW') operation, close to Balkhash in central Kazakhstan. Two self-funded expansions followed, and the Company has now fully developed Kounrad, with copper production expected to continue until the end of the licence in 2034.

Since production commenced, 124,142 tonnes of copper have been produced at Kounrad, at costs that are amongst the lowest in the world.

No. of employees

323

Salaries paid in 2021

\$5.7m

Taxes paid in 2021 \$30.9m

Life of operation, to

Estimated remaining recoverable copper resources 126.000t

2021 copper

production

14,041t

2021 copper

14.051t

2034

We have continued to make advances in the sustainability aspects of our business and are pleased to have developed our Climate Change Strategy during 2021.

# CHAIRMAN AND CEO STATEMENT



Safety and sustainability at CAML are fully integrated into our day-to-day operations, led from the top by CAML's Board and a key priority in everything that we do.

To show a strong commitment to aligning reward with stakeholder interests and to drive responsible performance throughout the Group, sustainability metrics are included as corporate performance targets in the Company's remuneration practices. In 2021, our Sustainability Committee worked with the Remuneration Committee to consider and agree 2021 KPIs on a number of key sustainability-related target areas. The Sustainability Committee was also integral in helping to advise and lead management on the development of the Group's Climate Change Strategy, as well as providing guidance on the continued navigation of our business; in particular the welfare of our employees and contractors with regard to the COVID-19 pandemic.

We believe we have come a long way in terms of our sustainability disclosure in the last three years and are now in our second year of reporting in line with the GRI Standards. We have now begun to report towards Task Force for Climate-Related Financial Disclosures (TCFD).

We have broadened our target United Nations Sustainable Development Goals ('SDGs') in 2021, to include goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) and 13 (Take urgent action to combat climate change and its impacts).

# PROTECTING HEALTH AND SAFETY

Our commitment to achieving a zero-harm work environment remains at the core of our activities and, whilst we were disappointed to record a slight increase in LTIFR during the year, the four lost time injuries recorded were relatively minor and lessons have been learnt from each, with teams trained accordingly. Several safety initiatives have been implemented across our operations throughout the year and we have appointed a Group Health and Safety Manager to further embed a fully integrated sustainable safety culture throughout the business.

Whilst COVID-19 remains a risk to the welfare of our employees, the measures we put in place at the start of the pandemic have proven effective in terms of protecting our people, meeting respective government guidance and maintaining production. We are now working hard to promote government vaccination

programmes at our operations, with 48% of our employees at Sasa having received one or more dose and 99% at Kounrad.

# GOVERNANCE, ETHICS AND OUR SUPPLY CHAIN

Having conducted a full corporate governance review in 2020, we were able to further strengthen processes, policies and systems throughout the Group in 2021. This has included a standardisation of anti-bribery and corruption and human rights provisions in contracts and policies, increased communications surrounding our Whistleblowing Policy and the introduction of informal site-based governance committees at both operations to assist with internal controls, compliance audits, and business improvements.

We have carried out significant work throughout the year to encourage ethical practices within our supply chain. This has included the development of a social assessment procedure which aims to address issues such as labour and wage conditions, access to trade unions or ability to join associations offering employee protections, and freedoms to engage in collective bargaining. We are committed to maintaining responsible practices within our own business, but also to working closely with suppliers to encourage the same throughout the value chain.



→ CLIMATE CHANGE Read about our strategy and targets on pages 37-43



Read about our site-based and mentoring initiatives from page 33 onwards



# ADVANCING OUR ENVIRONMENTAL PROTECTION STRATEGIES

One of the most important advances for CAML during 2021 was the development of our Climate Change Strategy with a target to reduce Group CO<sub>2</sub> emissions by 50% by 2030¹ and to reach net zero by 2050. The strategy is based on five pillars comprising: producing metals which contribute positively to the energy transition; working towards decarbonisation; ensuring we are operationally resilient; focusing on our strategic and business resilience; and delivering clear and transparent climaterelated reporting and disclosures, and include our initial reporting towards TCFD in our 2021 Annual Report with more detail in this 2021 Sustainability Report on pages 37-42. As part of our decarbonisation efforts, we have secured solely renewable power for Sasa from H2 2021 onwards and are planning to develop a solar project at Kounrad.

With regards to water, CAML's operating contexts differ, with only Sasa located in a region of medium to high water stress. A water strategy review was conducted at this asset in 2021 to assess opportunities for surface water abstraction reduction. This is being developed as part of the ongoing Cut and Fill Project and should result in a significant long-term reduction of 75% by 2026¹, by which stage the majority of the flotation plant's water needs will be met through recycling mine and process waters.

We have committed to reporting to the Global Industry Standard on Tailings Management ('GISTM') within the required three-year timeframe and, as part of this, Knight Piésold undertook an audit of all Sasa's tailings storage facilities ('TSF') in 2021.

# EMPLOYEE DEVELOPMENT AND CULTURE

Ensuring that we have the right skills in place to accomplish our strategy is vital to the Company's success, and we conducted a training needs analysis in 2021 to identify areas for development. A total of 37,805 training hours were carried out during the year which serves to demonstrate our commitment to developing our people.

We look to embed a strong workplace culture throughout the business and conducted an employee values review process in 2021 at Kounrad, with the same planned for Sasa in 2022.

Recognising the ongoing challenges we face in terms of broadening diversity at CAML, we established site-based diversity and inclusion committees in 2021. The committees have already proposed several initiatives which we are planning to implement with the aim of addressing this issue within the Group.

#### **VALUE FOR OUR STAKEHOLDERS**

We are proud of the support we offer the communities in which we work and committed US\$0.5 million through our foundation charities in 2021, focused on education, supporting disabled people, underprivileged children and those with learning difficulties, encouraging healthy sporting activity for all, and promoting long-term sustainable development. As part of this, we completed the Youth Park close to Sasa in Makedonska Kamenica.

We were also pleased to be able to reopen the training centre at Sasa for the first time since the start of the pandemic. We are working on a dual-education programme in conjunction with the Ministry of Education in North Macedonia and will provide students with practical training as part of the four-year course.

#### **CLOSING COMMENTS**

As global pressure to decarbonise mounts and addressing climate change becomes increasingly urgent, we remain steadfast in our corporate purpose to produce base metals which are essential for modern living. Copper is one of the key metals required in the clean energy transition, with lead being required in hybrid and electric vehicles and zinc playing a significant role in extending the useful life of steel. We are committed to producing these materials in a responsible manner, whilst maintaining safe operations, maximising the value we create for our stakeholders and minimising our negative environmental and societal impacts.

As always, we are grateful for the sustained support of our stakeholders in 2021, and continue to encourage open, transparent and constructive engagement as an important means of shaping our strategy. We welcome any feedback on our sustainability approach as we continue to drive improvements and work towards increasingly ambitious goals.



NICK CLARKE CHAIRMAN



NIGEL ROBINSON
CHIEF EXECUTIVE OFFICER

1 Versus 2020.

# **OUR PURPOSE-DRIVEN APPROACH**

Our purpose shapes our business model and our strategic decisions. It is underpinned by our values which inform the behaviour and standards expected of all our colleagues in the business. Together these determine how we identify and deliver our immediate and long-term strategic objectives and generate sustainable, long-term returns for all our stakeholders.



To produce base metals, which are essential for modern living, profitably in a safe and sustainable environment for all our stakeholders.

#### OUR VALUES







RESPECT & TRUST

# OUR IMMEDIATE STRATEGIC OBJECTIVES



This objective ensures that sustainability remains a key priority in everything that we do.

TARGETING LOW COST, HIGH MARGINS

This objective is around our focus on low cost production which results in high margins.

ENSURING PRUDENT CAPITAL ALLOCATION

This objective focuses on CAML's ability to allocate capital efficiently.

# SUSTAINABILITY PILLARS:



For more information see pages 12-18

MAINTAINING HEALTH AND SAFETY

For more information see pages 19-26

FOCUSING ON OUR PEOPLE

For more information see pages 27-34

CARING FOR THE ENVIRONMENT

For more information see pages 35-50

VALUE FOR OUR COMMUNITIES

For more information see pages 51-57

#### OUR LONG-TERM STRATEGIC OBJECTIVE



Focus on CAML's ability to take advantage of opportunities to grow the business through acquisition.

#### HOW WE MEASURE SUCCESS

MEASURING SUCCESS THROUGH KPIS AND ENSURING THESE ARE LINKED TO RENUMERATION WHERE APPROPRIATE

#### OUR ASSOCIATED RISKS

DELIVERING VALUE THROUGH ROBUST RISK MANAGEMENT

#### OUR STAKEHOLDERS

Generating long-term sustainable value for:

EMPLOYEES
COMMUNITIES
INVESTORS
GOVERNMENTS
SUPPLIERS

For more detail on our purpose, values, strategy, KPIs, risk and stakeholders, please see our 2021 Annual Report

# DRIVING VALUE FOR **OUR STAKEHOLDERS**

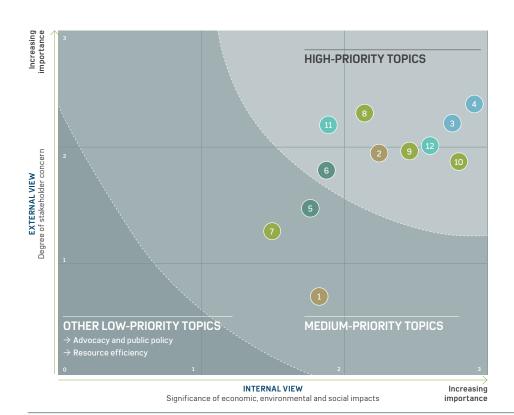
#### SUSTAINABILITY OVERVIEW **OUR MATERIAL TOPICS**

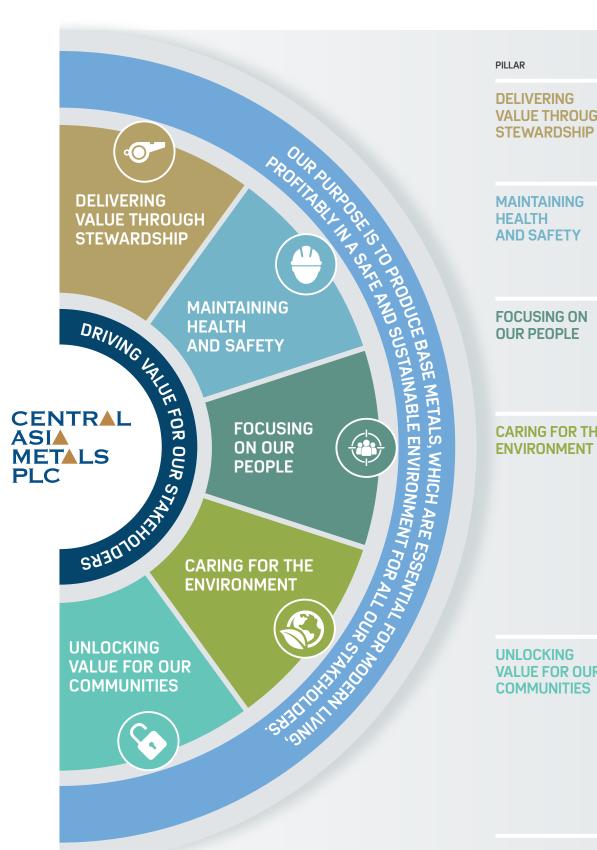
We consider a sustainability topic as material if it has the potential to impact the long-term viability of the Company and/or is of concern to external stakeholders, as a result of its possible effect on the economy, environment or people.

A full materiality assessment was conducted in 2020 and, in 2021, we consulted the same internal stakeholders and asked them to review our material topics and

confirm their belief that these remained the areas of top priority for the Group. There were no changes to our material topics as a result of this process, and a comprehensive assessment will be conducted in 2022.

Our sustainability strategy is built upon five pillars: delivering value through stewardship, maintaining health and safety, focusing on our people, caring for the environment and unlocking value for our communities.





#### **DELIVERING VALUE THROUGH**

We look to maintain the highest levels of ethical standards in our conduct and encourage the same for our suppliers whilst working in full compliance with the laws and regulations of our host countries. Robust corporate governance systems are the foundation from which we can promote optimal economic, social and environmental outcomes.

Our priority is to provide a safe and healthy working

visitors and work together towards the goal of zero

operations and support employee wellbeing, whilst

monitoring the health of our people and promoting

environment for our employees, contractors and

harm in the workplace. We aim to eliminate

a healthy lifestyle.

occupational health risks brought about by our

MATERIAL TOPICS

→ Responsible supply

Corporate governance

and husiness ethics

Health and wellbeing

Safety

#### **FOCUSING ON OUR PEOPLE**

We are dedicated to treating all employees fairly, recognising core labour and human rights principles and supporting the right to freedom of association and collective bargaining, as well as respecting the right to be free of harassment or intimidation in the workplace. We look to promote our Company culture and provide a positive, stimulating and productive workplace, where continuous employee development is encouraged.

→ Workforce culture and development

 $\rightarrow$  Labour relations

#### **CARING FOR THE ENVIRONMENT**

We recognise our responsibility, as a contributor of greenhouse gas emissions, to identify and implement programmes to minimise energy usage where possible, as well as to mitigate and adapt to the impacts of climate change throughout the value chain. We monitor water use and aim to minimise freshwater withdrawal, whilst also carefully managing discharge water quality. We are committed to effectively and responsibly managing tailings storage facilities and proactively working to reduce and recycle nonmineral, hazardous and non-hazardous materials waste and preventing or reducing pollution. We aim to protect and promote biodiversity and will ensure a responsible approach to rehabilitation and closure planning to ensure a sustainable legacy, recognising the potential for an operation to impact on the environment and local society after the end life of the asset.

Biodiversity. rehabilitation and closure planning

Energy usage and climate change

> Water management

→ Waste management

#### UNLOCKING **VALUE FOR OUR** COMMUNITIES

We concentrate on developing positive, constructive and professional relationships with host governments and communities close to our operations, investing resources to understand their needs and promoting close collaboration to respect human rights and implement social investment strategies. We recognise our responsibility to create shared value for all our stakeholders. By hiring locally and providing fair wages and benefits, we wish to contribute not only to employees' well-being, but also to the economic strength of the communities in which we operate. By procuring from local supply chains, paying taxes and royalties, providing education and internship opportunities and local community investment, we aim to contribute to socioeconomic development

Socioeconomic contribution

Community engagement and development

# **ALIGNMENT TO THE SUSTAINABLE DEVELOPMENT GOALS**

We align our activities to the SDGs and have identified those to which CAML has the capacity to best contribute, given the nature of our business as well as our operating environment.

Two additional goals, 7 and 13, were added in 2021 following the work conducted on the Group's Climate Change Strategy (see further detail on pages 37-45) reflecting CAML's dedication to joining the global effort to combat climate change. Given that the SDGs are interconnected, and our activities have wide-ranging impacts, we believe that the implementation of our

Climate Change Strategy also has the capacity to influence goals 9 and 12.

Our commitments to each SDG are stated below, alongside an update on performance and related targets aligning to the underlying elements of each individual SDG (i.e. where we believe the Company can have an impact).

)G		COMMITMENT	2021 PERFORMANCE	CAML RELATED GOALS
: V <b>††</b> V <b>†</b>	End poverty in all its forms everywhere	We prioritise local employment in regions where opportunities are sparse and are committed to providing support to the communities close to our operations, where it is needed. Through the transparent payment of taxes, we support economic development in our countries of operation.	<ul> <li>99% local employment in North Macedonia</li> <li>100% local employment in Kazakhstan</li> <li>\$0.5m social investment</li> <li>\$41.9m taxes paid in North Macedonia and Kazakhstan</li> </ul>	<ul> <li>Maintain local employment in excess of 99%</li> <li>Increase level of community support to an annualised average of 0.5% of Group gross revenue (up from 0.25%)</li> </ul>
-₩ <b>÷</b>	Ensure healthy lives and promote well-being for all at all ages	We have a steadfast commitment to safety and aim to achieve a zero-harm workplace. The Company has a range of initiatives and resources to promote and improve wellbeing amongst our workforce and in the local communities.	<ul> <li>→ LTIFR of 1.69</li> <li>→ 48% of employees have had one or more COVID-19 vaccination at Sasa and 99% at Kounrad</li> </ul>	<ul> <li>Improve upon Group lost time injury frequency rate ('LTIFR') versus 2021 (1.69)</li> <li>Zero fatalities</li> </ul>
BALITY BOUNDA	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	We provide professional development, vocational training and retraining courses to our employees and contribute to broader education through the provision of community training programmes, scholarships and investment and support for local schools.	<ul> <li>36 hours training per employee across the Group</li> <li>23 students enrolled in public/private partnership vocational education programme</li> <li>Four 2021 graduates of Sasa training centre have been employed at the mine</li> </ul>	<ul> <li>Commit to interviewing at least 20% women for each eligible role from 2023 onwards<sup>5</sup></li> <li>Commitment to increase number of female employed by 25% by 2025<sup>1</sup></li> <li>Continue to support CAML women through Women in Mining mentor programme:</li> <li>10% increase in Group health and safety training in 2022 versus 2021</li> </ul>
ATTRIBUTE DATE CERN DATE:	Ensure access to affordable, reliable, sustainable and modern energy for all	By producing the metals which play a key role in transmitting renewable power and therefore contribute positively to the energy transition, we aim to play our part to global decarbonisation.	→ 14,041t copper produced in 2021	<ul> <li>Prioritising acquisition opportunities focused on those metals which are essential for modern living</li> </ul>
<b>11</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We contribute to the economic growth of our countries of operation through the provision of employment opportunities and fair wages, the transparent payment of taxes and preferential local procurement. We are committed to upholding human rights in our workforce, as well as through our supply chains and to respect and abide by all applicable laws regarding modern slavery, child labour, and human trafficking.	<ul> <li>\$31m in wages and benefits</li> <li>\$40m spent with local suppliers in North Macedonia</li> <li>\$8m spent with local suppliers in Kazakhstan<sup>4</sup></li> </ul>	<ul> <li>→ Local procurement goals² of 50% at Sasa and 30% at Kounrad</li> <li>→ Zero human rights abuses</li> </ul>
EMET ACTOR	Take urgent action to combat climate change and its impacts	We recognise our responsibility, as a contributor of greenhouse gas emissions, to identify and implement programmes to minimise energy usage and increase use of renewable energy where possible, as well as to mitigate and adapt to the impacts of climate change throughout the value chain.	<ul> <li>→ 2021 Group scope 1 carbon emissions 24,876 tCO₂e</li> <li>→ 2021 Group scope 2 carbon emissions 56,822 tCO₂e</li> <li>→ 2021 17% reduction in Group Scope 1 and Scope 2 emissions</li> </ul>	<ul> <li>→ 50% reduction in Group GHG emissions by 2030³</li> <li>→ Achieve net zero by 2050</li> <li>→ Board approval to construct Kounrad Solar Plant</li> </ul>

1 Versus 2021. 2 Excluding capital projects. 3 Versus 2020.

4 Includes local and domestic expenditure. 5 Women are not legally allowed to work in underground operations in North Macedonia and, therefore, roles in which only males can work will not be included.

Our purpose is to produce base metals, which are essential for modern living, profitably in a safe and sustainable environment for all.

# EFFECTIVE MANAGEMENT OF SUSTAINABILITY

#### SUSTAINABILITY MANAGEMENT

For us, sustainability means protecting the longevity of our operations and working towards an enduring net positive outcome after the end of life of our assets. We look to achieve this by upholding strong ethical practices throughout the Company and our supply chain, prioritising the safety, health and development of our people, conducting business in an environmentally responsible manner and positively contributing to our communities and countries of operation. A focus on safety and sustainability is one of our three strategic pillars, fully integrated into our day-to-day operations, led from the top by CAML's Board and a key priority in everything that we do.

CAML has a Sustainability Committee comprising Chair, Dr Gillian Davidson, CAML's CEO, four additional Non-Executive Directors, as well as the Company's Sustainability Director, Nick Shirley. The Committee, which has overall responsibility for setting the sustainability strategy, enables us to maintain a strong focus on all sustainability-related matters. It meets on a quarterly basis and reviews progress, statistics and matters associated with health, safety and the welfare of our employees, environmental matters and local community issues and projects.

At site level, regular meetings on sustainability topics are held at Sasa and Kounrad between the General Directors and senior management. In addition, the Executive team in London receives monthly, quarterly and annual reports on our sustainability management. By monitoring sustainability management on an ongoing basis at the most senior levels of the business, we are aiming to consistently improve performance and behaviour, effectively identify and, where possible, remove or mitigate risks, as well as harness opportunities as they arise.

Our Sustainability Policy, which is approved by the Board and available on our website, is the overarching document upon which various components of the sustainability management systems are built. It is provided to all new employees as part of the induction process and is clearly displayed in strategic locations in all operational offices. CAML's Sustainability Director has overall responsibility for the implementation and enforcement of this policy.

#### COMPLIANCE

We operate in full compliance in all material aspects with the laws and regulations of our host countries and are working towards compliance with international standards of best practice where possible. In addition to this we:

- → Align with International Finance Corporation Performance Standards ('IFC PS') at both operations;
- → Are International Organisation for Standardisation ('ISO') 9001, 14001 and 45001 certified at Sasa (with audits conducted on an annual basis);
- → Look to comply with the relevant ISO standards at Kounrad; and
- → Operate in accordance with the Extractives Industries Transparency Initiative ('EITI') standards in Kazakhstan, through our Kounrad subsidiary Sary Kazna (with an annual report being submitted to the Ministry of Investment and Infrastructure Development in respect of taxation and revenue disclosures).

Overall responsibility for ensuring compliance with all relevant social and economic laws and regulations, as well as with the Company's own policies, lies with individuals, supported by the Group Legal Counsel.

External official regulatory audits are undertaken on a regular basis at both operations to verify compliance in addition to external, third-party audits. Regular internal audits of our operations are conducted to ensure compliance to the principles of our Sustainability Policy.

No significant instances of non-compliance with laws or regulations were identified in the environmental, social and economic area during the reporting period.

# LINKING SUSTAINABILITY AND REMUNERATION

In order to show a strong commitment to aligning remuneration with stakeholder interests and to drive responsible performance throughout the Group, sustainability metrics are included as corporate performance targets in the Company's remuneration practices. 20% of the Company's Long-Term Incentive Plan for Executive Directors and senior managers is dependent on achievement



of a Sustainability Performance Target, which takes health and safety, human rights, environmental and community incidents into account. Sustainability achievements are also included as performance measures for the Annual Bonus Plan, which is applicable to all appropriate employees and has a specific weighting to health and safety, environmental and community performance measures.

As part of the work we are conducting on our Climate Change Strategy (see detail on page 37-45), we are currently evaluating how climate targets should be integrated into existing sustainability targets.

See our 2021 Annual Report for more information on remuneration

#### SUSTAINABILITY RISK MANAGEMENT

Operating in the mining sector brings inherent risks in the extraction and processing of natural resources, particularly where sustainability-related risks are concerned. CAML therefore has specific, robust and effective risk management systems in place to enable the Company to meet its strategic objectives. ESG-related risks and opportunities are integral to the Usage and Climate Change'. overall risk management process, with the following being included in the Group's principal risks:

- → Leaching
- → Tailings storage facility management
- → Governance
- → Health and safety
- → Climate change

Climate-related risk was one of the focus areas for the Group in 2021, moving from an emerging risk for the business to the principal risk area. We engaged a third party to conduct a comprehensive physical and transition climate-related risk identification and assessment exercise across our operations.

The results of this exercise have been subsequently incorporated into the Group's ongoing risk management process and relevant mitigation plans were developed by the management and site teams. We will continue to monitor our climate risks and our responses to them on a quarterly basis. See further detail on page 41 in 'Energy

Quarterly meetings are held to review and update risks in addition to periodic Group Risk Committee meetings with operational and corporate senior management. These sessions review risk profiles and any significant changes or developments with regards to principal risk. Importantly, by ensuring that our on-site employees and managers provide the first level of sustainability risk identification, we enable an 'on the ground' approach which engenders ownership and responsibility at our operations.

During 2022, CAML plans to roll out a comprehensive sustainability risk awareness and identification training course at both operations.

#### **BOARD OF DIRECTORS** Ultimate accountability for risk management, ensuring that high-level strategies and changes are implemented on a macro level. **SUSTAINABILITY AUDIT COMMITTEE** COMMITTEE Reviews Board-level risk reported by the Group Risk Committee and Specific sustainability-related elevates all necessary areas of risks are generally reported risk management to the Board. to the Board via the Sustainability Committee. **GROUP RISK SUSTAINABILITY** DIRECTOR COMMITTEE Comprising Executive Directors Overall responsibility for the day-to-day sustainabilityand senior management and related risk management responsible for reviewing the process, detailed in the principal risks of the business and diagram opposite. advising senior management on appropriate mitigation activities. RISK COORDINATORS (MANAGERS) Assist with risk management processes and can call upon the guidance of the Sustainability Director.

#### **RISK MANAGEMENT PROCESS**

#### COMMUNICATION AND CONSULTATION

There is continual consultation with the relevant parties throughout the process to ensure consistency and appropriate decision-making across the Group towards risk management.

#### **IDENTIFICATION**

Risks are identified by all levels of management, along with their teams, across the Group. The Group Internal Controls and Risk Manager and site-based risk coordinators facilitate risk management processes, including providing guidance in the risk identification process.

#### **ANALYSIS**

For identified risks, further analysis is conducted to understand root causes of each risk and an estimate of the likelihood of risk occurrence and its potential consequences, including financial and non-financial impacts to the Group. Subsequent risk analysis is performed as part of ongoing risk monitoring and review processes.

#### **EVALUATION**

The results of risk analysis are used to determine the overall level of the risk, its significance to the Group and whether risk mitigation plans need to be implemented to reduce the risk to an acceptable level. The risk assessment criteria and risk appetite are determined by the Board of Directors.

#### **MITIGATION**

 $\rightarrow$ 

An agreed risk treatment plan is put in place to reduce the risk's likelihood of occurrence and to manage consequences of the risk's occurrence. This should result in a decrease of the overall risk level to an acceptable degree as determined by the Group's risk appetite.

#### MONITORING/REVIEW

Regular supervision and observation are conducted to monitor changes in risk attributes, such as likelihood and potential consequence, and effectiveness of current risk treatment plans to ensure that the risk level is maintained within an acceptable level. If necessary, risk treatment plans are modified to address identified gaps.

# DELIVERING VALUE THROUGH STEWARDSHIP

OUR MATERIAL TOPICS





& SAFET

PEOPLE

ENVIRONMENT



We look to maintain the highest levels of ethical standards in our conduct and encourage the same for our suppliers, whilst working in full compliance with the laws and regulations of our host countries. Robust corporate governance systems are the foundation from which we can promote optimal economic, social and environmental outcomes.

## 2021 HIGHLIGHTS AND REPORTING ON STATED INITIATIVES

- → Zero human rights abuses
- Awareness raised about human rights and modern slavery internally and amongst contractors and suppliers
- → Formation of site-based governance committees
- → Formalised due diligence processes and optimisation of training and education
- → Online governance and stewardship programme developed
- Enhanced supplier contracts with human rights and modern slavery provisions
- → Development of supplier social assessment process
- → Development of Supplier Code of Conduct
- → Updated Group policies following annual review
- → Whistleblowing hotline opened up to our suppliers

DURING 2021, WE DEVELOPED AND STARTED TO IMPLEMENT ONLINE GOVERNANCE PROGRAMMES FOR EMPLOYEES AND SUPPLIERS



100%

new suppliers screened by social criteria

100%

top 10 suppliers screened by social criteria

#### FOCUS FOR 2022

- → 100% of top priority (risk assessed) employees trained on new corporate governance platform
- → 100% of new suppliers screened to social assessment criteria
- → Complete human rights due diligence assessment
- → Audit 100% of long-term suppliers and contractors

#### **LONG-TERM TARGETS**

→ Zero human rights abuses within the Group

# APPLICABLE GROUP POLICIES AND SYSTEMS

- → Anti-bribery Policy
- → Whistleblowing Policy
- → Trade Sanctions Policy
- → Modern Slavery Act Statement
- → Code of Conduct
- → Sustainability Policy
- → Human Rights Policy

#### **RELATED SDG**



For more information visit www.undp.org/sustainable-development-goals

# CORPORATE GOVERNANCE AND BUSINESS ETHICS

#### CORPORATE GOVERNANCE

#### **OUR APPROACH**

CAML has a robust framework to promote ethical behaviour and strong corporate governance and sets high standards that are crucial for the effective running of our operations and the long-term sustainability of our business.

We place significant importance on ensuring there is a robust foundation of governance to underpin the Group's strategy and create long-term value for our shareholders and other stakeholders. Leading from the top, the Board is responsible for setting the appropriate culture to drive good governance and ethical behaviour throughout the Company. Read about our culture and values on page 31. In order to demonstrate how our values guide our activities and behaviour, we have included the related icons for each of the case studies within this report.

The Board is committed to excellence and, supported by its Committees, looks to promote best practice throughout the Group and amongst stakeholders.

# BUSINESS ETHICS AND COMPLIANCE

#### **OUR APPROACH**

Our practices are reinforced by our Code of Conduct ('Code') and related policies, all of which apply to all Group companies and subsidiaries, employees, on-site contractors and suppliers, and together form the backbone of our approach to sound governance, corporate responsibility, transparency and ethics (see the policy names on page 12).

The CAML Code clearly lays out how we expect our employees to behave and is underpinned by our values. We pride ourselves on operating in a way which ensures that we respect human rights and treat our workers and those along our supply chains humanely, from our labour practices to our security measures on site, and everything in between.

Company policies are reviewed on an annual basis (or more frequently if required) with changes approved at Board level, taking into account ethical standards and incorporating recommendations from third-party research agencies.

#### Communication and training

Each new or updated policy is communicated by corporate management to Board members, where it is reviewed for approval. Policies are then rolled out to site-based management via a kick-off presentation with local management teams, which are then responsible for communicating information to the relevant departments. A policy communications plan is then designed, with a timeline for delivery and policy dissemination to employees and other stakeholders.

Changes made to policies as a result of the corporate governance review in 2020 have been communicated, as a priority, to those employees who were identified as outward facing through a risk assessment. We are looking to incorporate this through the onboarding process for new hires over the course of the year. In 2021, we also conducted a communications campaign raising awareness to ensure greater understanding of how achieving strong corporate governance is a collective effort.

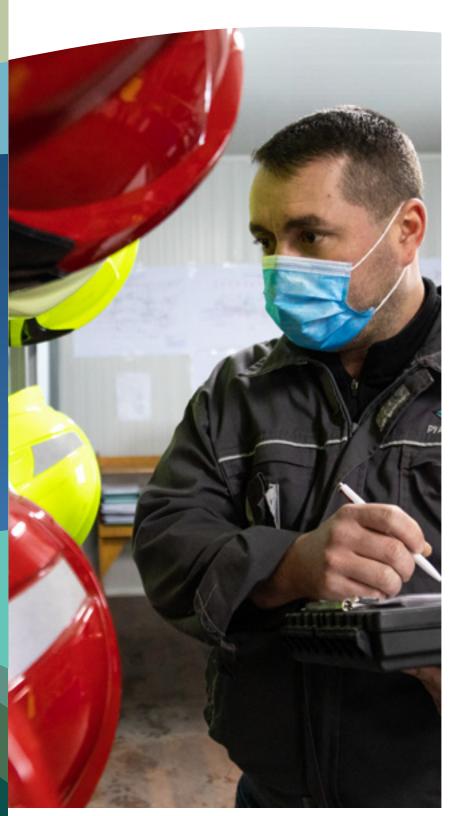
In 2021, CAML developed an online governance and stewardship programme which will be rolled out across the Group for all employees and suppliers in 2022.

Over the course of 2021 we developed a compliance presentation aimed at optimising training and education on key Group policies and their application to employees. The content was focused on providing real-life examples, enhancing awareness in a practical way, and guiding behaviours and aligning employee understanding with our high standards. This training will be fully rolled out in 2022 with an interactive component to test knowledge and understanding.

TRAINING TOPIC	MEDIUM	STAKEHOLDERS	TRAINING DELIVERED
All Company policies	Refresher lecture	Corporate management team, which is then responsible for relaying information to their teams	17 hours of training delivered to 100% of our corporate team
Corporate governance and ethics	Video presentation	All identified employees	In Q1 2022, we delivered 71 hours of training to 7% of our workforce
Code of Conduct	Video presentation	All identified employees	In Q1 2022, we delivered 71 hours of training to 7% of our workforce
Anti-bribery and corruption	Video presentation	Employees, contractors, suppliers	In Q1 2022, we delivered 71 hours of training to 7% of our workforce
Human rights	Video Presentation	All identified employees	35.5 hours of training delivered to 7% of our total workforce.

See our 2021 Annual Report for more information on corporate governance and the Sustainability Committee

#### **CORPORATE GOVERNANCE AND BUSINESS ETHICS** CONTINUED



#### **BUSINESS ETHICS AND COMPLIANCE CONTINUED**

# Internal controls on ethical business practices, including the protection of human rights

The Company has taken on a Group Risk and Internal Controls Manager who, in conjunction with the Group Legal Counsel, reviews the current application of the policies regularly, updating the content as necessary. Spot checks of records and documentation, internal audits, and a corporate governance review, such as the one conducted in 2020, reinforce our commitment to ensuring ethical business practices. Reports from these internal reviews are then reviewed by management in order to identify areas for improvement. The key focus in 2022 will be reviewing our procurement policies, implementing the social assessment questionnaire, and assessing its efficacy. Where breaches or instances of non-compliance are identified via an internal audit, by internal complaints or through the Whistleblowing Policy (see further detail below), measures will be taken to investigate (usually via a small committee), remedy any adverse impacts, feed back to the whistleblower, and prevent recurrences. This may involve the initiation of relevant disciplinary procedures, where applicable.

As a result of the corporate governance review carried out in 2020, we further strengthened processes, policies, and systems at both Sasa and Kounrad.

Furthermore, our current due diligence processes were reviewed during 2021 and formalised due diligence procedure guidance was produced for uniform use across the Group.

Site-based governance committees have been formed at both operations to assist with internal controls, compliance audits, and business improvements, communication of whistleblowing and grievance mechanisms has been enhanced (see page 13), financial control and internal auditing measures have been improved, and due diligence processes for contractors and suppliers have been strengthened (see further detail on page 13.

#### **ANTI-BRIBERY**

At CAML, no employee, officer or associated person may engage in any form of bribery or other corruption anywhere in the world. This is reinforced by the Group's Anti-bribery Policy, which covers employees as well as consultants, agents, suppliers and representatives, and provides detailed instruction on the measures and behaviours that must be adhered to by all parties. We take a zero-tolerance approach to these issues and compliance with the policy is mandatory. Our employees receive training on anti-bribery regulations, our expectations of their behaviour, and how to handle and effectively report instances of potential misconduct through the proper channels.

A corporate governance risk assessment process was undertaken in 2020 across both our operations for risks relating to bribery and corruption and the intention is to repeat this process approximately every three years, with the next expected to occur in 2023. A standardisation of antibribery and corruption and human rights provisions in contracts and policies across the Group has been conducted.

As part of this 2020 review, third-party and external-facing employee practices were examined, and training was focused upon those identified as belonging to a higher risk exposure group. Additionally, the signing processes for new joiners were reviewed, as were contractual provisions within our commercial contracts. examining instances and frequency of refusal to sign up to our Anti-bribery Policy. As a result of this assessment, anti-bribery and corruption safeguards have been enhanced across both sites and extended beyond our employees. These and other comparable measures (including those stated below in 'Ensuring an Ethical Supply Chain') are expected to bolster our mission of addressing corruption-based risks within our business.

During 2021, there were no reported cases of bribery or corruption for CAML or any of its subsidiaries.

#### WHISTLEBLOWING

We take any violations of our policies very seriously and encourage whistleblowing as a means for our employees to speak up against unethical behaviour. Our Whistleblowing Policy, which names Board and management members for employees to contact, is provided to all our people in local languages for signature to indicate familiarisation and understanding.

Any concerns should be reported in the following manners: through line managers, through indirect management channels, or via the independent, external, multilingual (including English, Russian and Macedonian) Navex Global whistleblowing hotline service which is available at all hours. Details of the service are included in the Whistleblowing Policy on the Company's website, on posters around both sites, and within information sent with payslips. All concerns are treated confidentially and, if requested, anonymously. All issues are dealt with in a timely and sensitive manner, with feedback being provided to the Group Legal Counsel as well as the Audit Committee. Following our 2020 corporate governance review, we opened our whistleblowing hotline to our suppliers. Further, we incorporate information about monitoring and reporting abuses through outward-facing documents, a notable example of which includes our whistleblowing contact details in our Supplier Code of Conduct, published online.

See our website for policy details

#### **CORPORATE GOVERNANCE AND BUSINESS ETHICS** CONTINUED

#### BUSINESS ETHICS AND COMPLIANCE CONTINUED.

#### WHISTLEBLOWING CONTINUED

During 2021, we initiated a multi-channel communication campaign, whereby distribution of the Whistleblowing Policy was enhanced with electronic communications of our presentation sent by email and a broadcast of the presentation displayed on television screens in the canteens and other communal locations to raise awareness amongst our employees. Additionally, hard copies of the policies were distributed to each employee for signature, alongside a notice from the site General Director and a copy of the contact details.

There were no instances of whistleblowing at CAML or any of its subsidiaries during 2021.

#### **HUMAN RIGHTS**

As an extractives business working in emerging markets, we are aware of the risks which are inherent in a labour-intensive industry, particularly one which involves cross-country logistics and transport networks. We believe that a robust approach to human rights is vital to fulfilling our corporate responsibilities, not only in respect of our employees but for the workers along our supply chains (read further detail on pages 17-18) and within the communities in which we operate.

We are fully committed to fundamental human rights, as defined in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The Company has a formal Human Rights Policy which is available on our website, covers internationally recognised rights and forms the basis of our approach, which is approved by the Board. Our aim is to develop a strong organisational culture which upholds and supports internationally recognised human rights.

The CAML Board is ultimately responsible for ensuring adherence to our human rights commitments globally. The Group Legal Counsel and Sustainability Director help manage the Human Rights Policy and our senior management plays an important role in the communication and oversight of the implementation of the policies on the ground. Human rights risk assessments shall be carried out regularly, from 2022 onwards, to better understand the risk areas as well as identify prevention and mitigation measures.

The Policy applies to all employees and contractors within the Group, including CAML and all its subsidiaries, joint ventures ('JVs') and associated businesses within our supply chain. It states commitment to, amongst other matters:

- → Freedom of thought, expression, belief, and opinion
- → Treating all our workers with dignity
- → Supporting diversity
- → Providing equal opportunity, treatment, and fair remuneration

Training on the Human Rights Policy is conducted on an annual basis for all employees and onsite contractors. A human rights assessment is being conducted in conjunction with our voluntary commitment to abide by the Global Industry Standard on Tailings Management ('GISTM') principles and requirements, taking into account our interaction with project-affected people in line with our Stakeholder Engagement Plan ('SEP'). Human rights considerations extend beyond our policy stance, training, and ethical supply chain assurance; they factor into overall decision-making processes, ranking highly in our evaluation of business development and strategic partners. Further, they drive our sustainability targets, progressively set on an annual basis and our sustainability KPIs which make up 20% of bonus remuneration for senior levels of management and Executive Directors. Such considerations inform our labour conditions and wages, risk assessments, interaction with communities, and Sustainability Policy, thereby underpinning our overall corporate strategy and sustainability objectives.

See CAML's 2021 Modern Slavery Statement on our website

As part of our human rights practices, we are committed to ensuring ongoing engagement with external stakeholders and the surrounding community to ensure they are fully aware of the lines of communication available to them and feel sufficiently empowered to raise any potential issues with the Company through its grievance mechanisms. The full details of this are included in our SEP which outlines how we interact meaningfully with our communities. Following a temporary closure due to COVID-19, we have re-opened our community centre close to Sasa. The centre allows our community representative to meet with our local residents, hold open discussions, and be available to hear grievances and address concerns.

There were no reported cases of human rights abuses during 2021 for CAML or any of its subsidiaries.

#### **MODERN SLAVERY**

We respect and abide by all applicable laws regarding modern slavery, child labour, human trafficking and involuntary servitude, as demonstrated by our Modern Slavery Statement, which can be found on our website. Our Modern Slavery Statement is reviewed annually in line with the most relevant updates in UK statute and legislation and is presented to the Board for formal approval.

There were no reported cases of modern slavery during 2021 for CAML or any of its subsidiaries.



#### **CASE STUDY**

# **ADDRESSING ETHICAL ISSUES IN OUR SOCIAL** ASSESSMENT PROCEDURES

As part of our efforts to encourage ethical suppliers will receive the questionnaire as practices within our supply chain and combat human rights abuses, including modern slavery, we have developed and implemented a social assessment procedure which takes the form of a questionnaire embedded in our new Supplier Code of Conduct. Social criteria included in the questionnaire comprises, amongst other things, labour and wage conditions, access to trade unions or ability to join associations offering employee protections, and freedoms to engage in collective bargaining.

In order to create the social assessment procedure, several sources were consulted, including the UN Guiding Principles, and the resources provided by the International Labour Organization. Survey questions were discussed with procurement teams to ensure that they were topical, clear, and transparent to both our current and potential suppliers. We instigated the process by sending the questionnaire to our top 10 current suppliers at each site in the first instance. Subsequently, all new prospective

part of the tendering process and will be subject to the social assessment process with a follow-up, as necessary. The overall procurement process will then take account of any prospective supplier that fails to respond or does not provide the acceptable answers in the overall decision-making process.

Rather than adopt a prescribed approach, with a mandatory outcome, we intend to proceed with a bilateral, communicative approach which encourages dialogue with the intent of ameliorating any negative supply chain impacts. Therefore, we would follow up with the supplier to ensure they have understood and answered correctly, seek to understand any remediation measures they intend to take and how we may assist, or, if necessary, exclude that particular supplier from the tendering stage.

Link to values:









# RESPONSIBLE SUPPLY CHAIN

#### **OUR APPROACH**

As a base metals producer which mines zinc and lead in North Macedonia and has copper operations in Kazakhstan, the Company has a variety of local and international suppliers servicing our subsidiaries which mainly include mining equipment, spare parts, reagents and energy. The Company also engages suppliers to provide services such as security, catering, transportation and trucking. CAML has approximately 1,227 suppliers between the two operations, totalling circa \$75m in procurement expenditure in 2021 excluding capital expenditure.

The base metals we produce are sold primarily through agreements with our off-take partner, Traxys Europe S.A. At Kounrad, the copper cathode is sold via an arrangement by which a minimum of 95% of the SX-EW plant output is sold to Traxys and the remaining 5% of sales are to local customers. Sasa's zinc and lead concentrates are sold through Traxys, predominantly to local smelters. The smelted products are used for a variety of purposes such as using zinc for galvanising steel and iron in construction and manufactured products. Lead's application is notable in lead-acid battery production which accounts for nearly 80% of total demand

Copper is used in the production of various technologies such as wiring, electrical motors, and wind turbines. There are a number of participants in the overall value chain, downstream of CAML's operations, which include manufacturers, retailers and eventually consumers all around the world.

Our procurement strategies at both sites aim to provide a level playing field for suppliers, insisting on good governance, compliance with local laws, respect for human rights, safety and due care for the environment. We aim to work closely with our suppliers to ensure we are part of a value chain that prevents bribery and corruption and reinforces human rights, responsible behaviour and positive sustainability outcomes.

We aim for preferential procurement with suppliers living within our communities, which we believe is an important part of efforts to manage a responsible supply chain. Further detail is included in 'Unlocking value for our communities' on page 51.

#### Policy commitments and training

We prioritise ethical decision-making when purchasing goods and services and expect our suppliers and contractors, including security personnel, to comply with CAML's Code, Anti-bribery Policy, Modern Slavery Statement commitments including conducting business responsibly and ethically, which entails adherence to health and safety standards, environmental responsibility, human rights commitments (including collective bargaining and freedom of association) and equal opportunity.

Following the risk assessment carried out in 2020 across the sites' procurement teams, we identified the main spheres of risk within our business which include the cross-border nature of our operations (including shipment of concentrate) and a large number of suppliers, varying in size and development within the sustainability cycle which may require enhanced due diligence and assistance in order to reach our high standards.

In 2021, CAML reviewed its outward-facing standard contracts with third parties and worked to improve the enforcement and incorporation of Company policies, such as the Anti-bribery Policy and the Human Rights Policy. This included making explicit reference to universally acknowledged global standards such as those contained within the International Labour Organization to ensure alignment of our expectations with those of our suppliers.

We have also developed a formal Code of Conduct for our suppliers, which are required to sign a declaration of compliance to indicate their understanding of our stance before we engage in a business relationship. Contract renewals may also be subject to annual audit.

Ethical practices and human rights training now includes regular on-site contractors such as security teams and transport personnel. In 2021, we also expanded our anti-bribery and corruption training to include on-site contractors, being those suppliers closest to our business.



#### **RESPONSIBLE SUPPLY CHAIN CONTINUED**

#### Supplier assessment, communications and guidance

We conduct due diligence when sourcing and vetting third party sales and service providers. This is primarily done through our site procurement policies, which detail the required verification and how to complete the due diligence process in full. Additionally, we have developed a uniform Due Diligence Procedure which functions as an additional guide for procurement teams. It addresses what to do in the event that red flags are triggered, or further information is required, and when to report potential risks to the corporate team by designating required and suggested action points.

In 2021, we developed a social assessment process for use across the Group – see detail in the 'Addressing ethical issues in our social assessment procedures' case study on page 16. Starting from Q4 2021, 100% of new suppliers were screened using this social assessment. In addition to this, our top 30 suppliers (by expenditure) are sent annual letters outlining what measures we took during the year by way of modern slavery and human rights. At Sasa, we are trialling a specialist software that will assist in verification for ethical supply chains and reviewing sustainability ratings of potential suppliers.

These initiatives provide us with the opportunity to highlight CAML's practices within our own operations and encourage suppliers to share their policies as well as activities and efforts to maintain responsible business practices with us. An important element of this process includes the offer of guidance and support to suppliers looking to implement comparable or equivalent efforts in their own businesses.

Through the Whistleblowing Policy, CAML provides staff and third parties with a confidential method for alerting management of circumstances where suppliers may be providing services which might potentially use slavery, forced labour, or involve human trafficking.



# MAINTAINING HEALTH AND SAFETY

OUR MATERIAL TOPICS



HEALTH & SAFETY

- 22 -

PEOPLE



ENVIRONMEN'



COMMUNITY

Our priority is to provide a safe and healthy working environment for our employees, contractors and visitors and work together towards the goal of zero harm in the workplace. We aim to eliminate occupational health risks brought about by our operations and support employee wellbeing, whilst monitoring the health of our people and promoting a healthy lifestyle.

## 2021 HIGHLIGHTS AND REPORTING ON STATED INITIATIVES

- → Zero fatalities
- → Continued monitoring and management of the COVID-19 situation
- → Zero significant non-compliances identified in an external safety audit at Kounrad
- → Safety improvements at Sasa, including enhanced modular guarding for conveyors, revised and improved 'lockout tagout' system and underground wi-fi installation, materially complete
- → Safety improvements at Kounrad, including upgrading the fire detection system and improved ventilation in work areas
- → New Group-level Health and Safety Manager appointed
- Strengthening safety behaviour at Sasa by reorganising and training Employee Safety Representatives and implementing safety walkthroughs for all levels of management

WHILST OUR FOUR LTIS AT SASA WERE RELATIVELY MINOR, LESSONS HAVE BEEN LEARNT FROM EACH INCIDENT AND ADDITIONAL TRAINING CONDUCTED



LTIs

4

LTIFR

1.69

TRIs

4

1.69

#### FOCUS FOR 2022

- Building on safety training delivered to ensure lessons learnt are embedded in daily operations
- Implementation of an occupational health sampling and monitoring programme
- Health and safety onboarding and due diligence for all contractors for the Sasa Cut and Fill Project
- → 10% increase in Group health and safety training versus 2021

#### **LONG-TERM TARGETS**

- → Zero fatalities
- → Improve upon Group LTIFR versus 2021 (1.69)

# APPLICABLE GROUP POLICIES AND SYSTEMS

- → Sustainability Policy
- Health and Safety Management Systems

**RELATED SDG** 



visit www.undp.org/sustainable-development-goals

# **SAFETY**

#### **OUR APPROACH**

Safety has been identified both by the Company and our stakeholders as our single most material issue and is at the heart of everything we do. Our ultimate goal of achieving zero harm in the workplace for all employees, contractors and visitors, is laid out in the Company's Sustainability Policy and we have a clear safety improvement target for the Group.

We have fully integrated and robust health and safety management systems at both sites, aimed at ensuring the wellbeing of all personnel working at the operations. They also include structures for receiving feedback from employees to help us evaluate the effectiveness of our systems and ensure continual improvement and development of working conditions. Workplace inspections are systematically carried out daily by safety engineers and technicians. Any non-compliances are documented and action plans are developed to eliminate workplace hazards, minimise risks and eliminate substandard behavioural issues. Senior managers also conduct inspections on a weekly basis, with findings discussed and corrected.

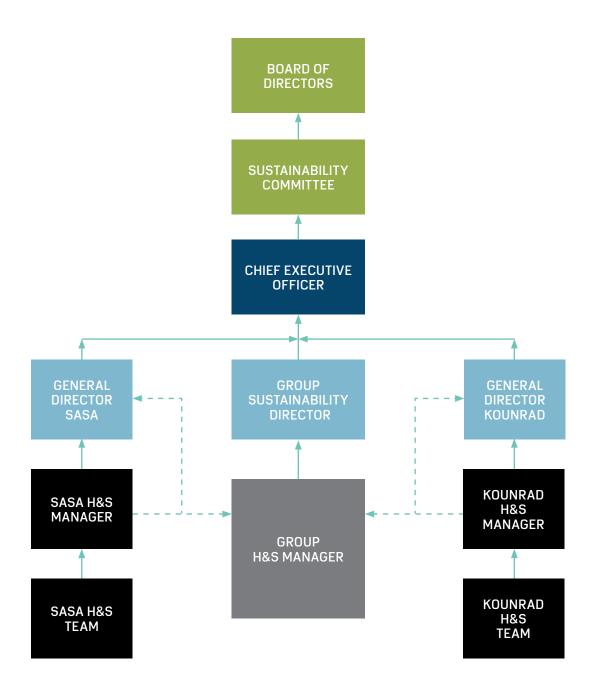
#### **HOW IS SAFETY MANAGED?**

In early 2022, we hired a new Group Health and Safety Manager to further develop and implement a fully integrated sustainable safety culture throughout the Group and, most importantly, to train our local health and safety teams to enable them to maintain the appropriate standards over the long term.

Effective procedures and guidelines are in place to manage safety and we have clear safety objectives, with related key performance indicators ('KPIs'), which are measured on a regular basis. Rigorous health and safety monitoring and control is employed and fed back to the Board via the established channels.

All relevant national health and safety standards in the countries of operation are adhered to, including, where possible, compliance with international standards. We also take account of specific operating practices which are relevant for the mining industry.

This demonstrates the health and safety lines of responsibility. CAML's Health and Safety team, which is responsible for the development of the Health and Safety management system, operational controls, safety training, and timely provision of safety data to management, consists of 11 health and safety engineers and administrative staff – eight at Sasa and three at Kounrad.



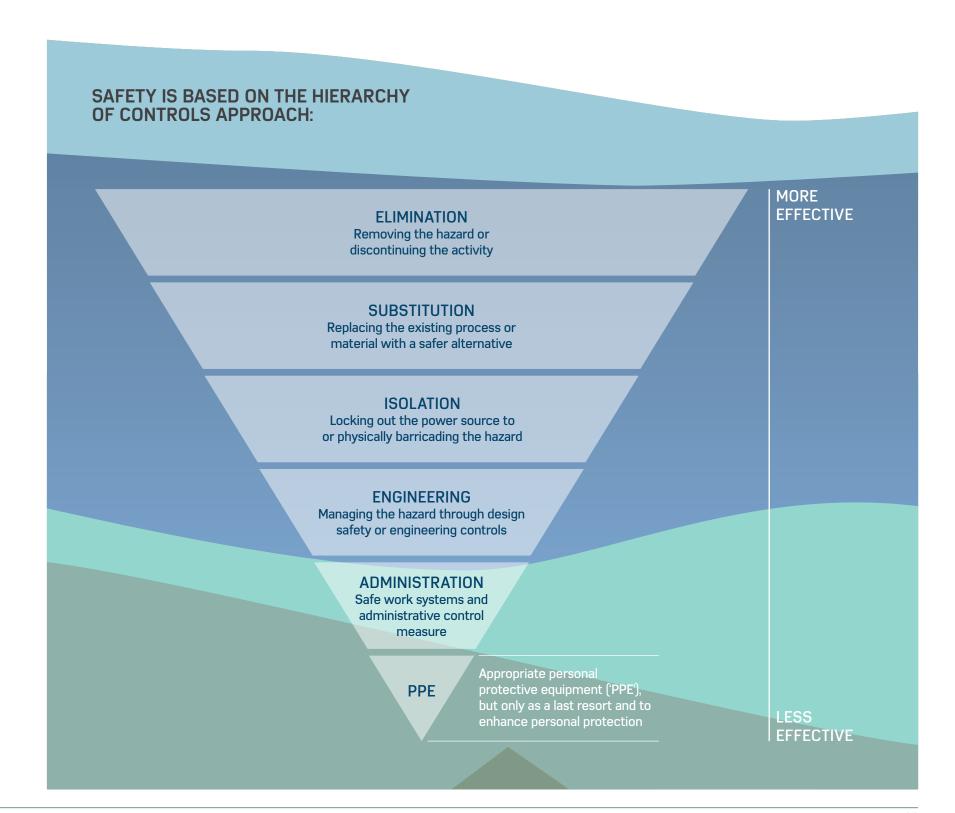


#### **OUR APPROACH** CONTINUED

Weekly safety meetings are held at both operations, with attendance by safety engineers and safety representatives. The focus of these meetings is to discuss key health and safety topics, such as any incidents from the previous week, continuous improvement opportunities as well as suggestions from the workers for better health and safety. Furthermore, the health and safety team alongside department safety representatives undertake regular site inspections. In the event of any non-compliances being identified, an action plan is developed and distributed to the relevant departments for correction, validation and verification.

Sasa is certified to international ISO 45001 standards for health and safety management and zero non-compliances were identified during the internal audit conducted in Q1 2021. Many positive findings were noted regarding Sasa's health and safety practices and all recommendations have been implemented. Whilst Kounrad currently has no formal certification to international standards, it aims to be aligned with ISO 45001 Standards and IFC PS.

External inspections are carried out at both operations by government-appointed bodies, covering areas such as industrial safety, safety of equipment and the application of COVID-19 measures, which provide an additional way for us to track the effectiveness of our safety systems. In addition to this, SGS external consultants SGS Kazakhstan were engaged to conduct an independent, external safety audit at Kounrad in August 2021, and no significant instances of non-compliance were identified.





# SAFETY RISK MANAGEMENT IN PRACTICE

Each operation has a risk register, including specific health and safety risks, which is managed by a 'Risk Champion' and is available for all departments in printed form as well as posted in all workshops. Risks are identified with the input of the workforce as well as management, and supervisors regularly discuss these risks with their teams.

Risks are reviewed on a regular and ongoing basis and elevated to senior management and the Audit Committee as necessary. Data is then presented to all heads of department, who ensure effective communication to the workforce and mitigate as necessary.

A five-step field-level risk assessment is used by our entire workforce, including contractors, to assess the risks in their workplace prior to starting work.

#### 1 Stop

Think about what you want to do

#### 2 Look

Identify any hazards

#### 3 Assess

What harm those hazards may cause

#### 4 Manage

Implement controls, tell others

#### 5 Proceed

Complete the task

As hazards are identified and documented by the worker, they are either addressed directly if possible, or placed into the risk register and prioritised for elimination. Each risk assessment is signed by the shift supervisor. Employees are expected to stop work and remove themselves and their colleagues from the area of work if they identify a safety risk.

There are other avenues available for hazard registration, including reporting directly to the safety team, using suggestion boxes located on both sites and/or using the Whistleblowing hotline. The General Directors also operate an open-door policy, enabling the direct reporting of any concerns.

#### SAFETY CULTURE AND TRAINING

We have high expectations of all our employees and contractors in terms of safety practice and ensure that they are trained accordingly. All employees and contractors are required to adhere strictly to all Company health and safety rules and standards, and to report any safety issues immediately to their line manager or safety representative.

Employees received safety training

100%

Average hours health, safety and emergency response training per employee

14

Average hours health, safety and emergency response training per contractor

2

In line with our aim to achieve continuous improvements in our approach to health and safety, walkthroughs have now been introduced across the business, allowing safety teams to evaluate safety practices and identify areas for improvement. During 2022, management will address behavioural change by further training of personnel on hazard identification and risk management in the workplace.

TRAINING TYPE	FREQUENCY	INTERNALLY	EXTERNALLY
Safety induction	All personnel (including contractors) receive on joining and then on an annual basis	✓	×
General safety training	All personnel receive on an annual basis	✓	✓ where appropriate, by health and safety specialists
Mandatory required training	All required personnel receive on an annual basis	*	✓ by external specialists
Targeted task- specific training	Conducted on a case-by-case basis depending on needs, determined by the relevant heads of department, in conjunction with the health and safety department	<b>✓</b>	✓ where appropriate, by health and safety specialists
Safety toolbox talks	All relevant employees at the start of every shift	✓	х

By enhancing our team's level of personal safety, hazard awareness and identification skills, we aim to reduce risk in the workplace. Examples of specific training tailored to particular hazards are as follows:

- → Working at heights
- → Hand-held fire extinguisher training
- → Handling of explosives
- → Handling hazardous chemicals
- Driving heavy vehicles and operation of lifting equipment
- → Training for welders

New employees have up to 20 days to complete competency-based training for their specific job, which includes a comprehensive role-specific safety component. Any new employees who fail to meet the required standards are refused entry to the workplace until such time as they have passed the training programme.

Effectiveness of training is evaluated with tests which, if failed, means the employee cannot commence their tasks until they pass. Task observations are performed on each activity to check compliance with the safe operating procedure ('SOP').

Safety appraisals are carried out immediately after the training session to confirm understanding, and also on an annual basis. This involves the testing and verbal questioning of employees. Retraining and testing is undertaken where necessary.

#### FIRE RESPONSE

Fire response is an integral part of our safety strategy at both operations. This is particularly material at Kounrad due to the volatile nature of some of the reagents used in the solvent extraction process. At Sasa's underground operations, it is essential that personnel can respond effectively in the unlikely event of a fire.

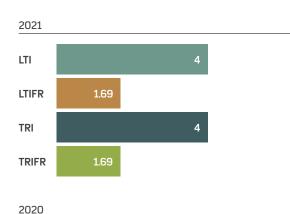
Sasa has a fully equipped mine rescue team, which is trained in emergency response and firefighting, as well as fire detection systems in all buildings on site. There are automatic fire suppression systems in all high-risk areas and underground mobile plant. In 2021, a hydrant foam system was constructed at the fuel station. Plans are underway for Sasa to install a sprinkler system within the Central Decline in H1 2022, as well as a new fire hydrant network within the surface explosives warehouses.

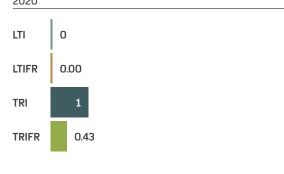
At Kounrad, all buildings are fitted with fire detection systems and the 35/10 kV substation has gas extinguishing capsules. In addition, Kounrad has an external, fully equipped firefighting department on site, with full breathing apparatus and a fire engine. The team conducts training and emergency drills with the Fire Department

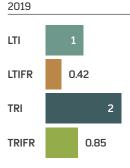


on a regular basis and on a range of topics. When carrying out fire training, personnel responses to fire situations are appraised and areas for potential improvements identified. During 2021, the fire suppressant units in the SX building were replaced after reaching their life expectancy of 10 years. Wireless fire detection systems were also installed in pump houses across the site.

#### **GROUP SAFETY PERFORMANCE**







Four lost time injuries ('LTI') were recorded in 2021 and zero medical treatment injuries ('MTI') and therefore four recordable injuries ('TRI') occurred. The Group recorded a lost time injury frequency rate ('LTIFR') of 1.69 and a total recordable injury frequency rate ('TRIFR') of 1.69. This meant that the target for 2021 of achieving a 15% decrease in the LTIFR over the last five-year period was not met. However, the four LTIs were relatively minor, lessons have been learnt from each and teams trained accordingly.

CAML's 2022 target of achieving an LTIFR of under 1 for 2022 is suitably ambitious for the Company in keeping with its goal of achieving zero harm.

During 2021, 10 High Potential Incidents ('HPIs') occurred at Sasa. Of these 10 incidents, three were related to falls of ground in the mine. Increased controls and measures have been established to manage this risk and reduce the probability of a recurrence.

Zero HPIs or LTIs were recorded at Kounrad in 2021.

No fatalities have ever occurred at Kounrad, and there have been no fatalities at Sasa under our ownership.

#### SAFETY INITIATIVES

In 2021, CAML implemented the following key safety initiatives (in addition to those noted in 'Fire response' on the previous page) in our efforts to work towards zero harm to employees and contractors at our operations, some of which at Sasa served to address specific areas for improvement identified by an audit undertaken in 2020.

#### Sasa

- Improving communication and reporting around safety matters to develop overall safety management
- → We are in the process of updating our underground mining fleet and have added remote operating capabilities where possible to improve safety
- → Enhanced modular guarding for conveyors
- Improvements to 'lockout tagout' system at Sasa
- → Wi-Fi installation underground materially complete, enabling better communication underground and also to be able to locate in real time all employees and machinery underground which will then ensure a more rapid response in the event of an incident
- → Improving the lighting of the TSFs as well as on surfaces outside and in front of the Central Decline

#### Kounrad

- → Installation and/or replacement of exhaust ventilation in the boiler house, reagents warehouse and SX building
- → Install further control measures to reduce the build-up of static electricity in the SX building, installed in the EW-1 building.



# CASE STUDY IMPROVING SAFETY SYSTEMS

During 2021, Kounrad developed and undertook a safety system upgrade of the Tungus fire extinguishing powder system, given that the previous system was 10 years old. This project involved replacing 82 powder fire extinguishing modules within explosion-proof housing. Specialist contractors were identified to undertake this work at height.

Prior to starting work, risk assessment and job safety analysis work was carried out, especially given that production continued whilst this work was underway. A phased approach was taken to replacing the modules, with a strong focus placed on safe working at height.

Maintaining safety throughout the process was emphasised by the Kounrad processing team, our contractors and the Kounrad Health and Safety Department, which held regular safety toolbox talks on the subject.

Link to values:







# HEALTH AND WELLBEING

#### **OUR APPROACH**

We believe that a healthy workforce is paramount in achieving high levels of productivity, and we run various programmes to monitor the health of our employees and to promote a healthy lifestyle.

The challenges encountered as a result of COVID-19 have served to highlight the importance of maintaining a robust strategy to protect the health and contribute towards the wellbeing of all our employees and other people at our operations.

Wherever possible, we look to eliminate occupational health risks brought about by our operations and we commit to minimising and mitigating issues through the provision of the most appropriate PPE and healthcare.

We have various mechanisms for evaluating the effectiveness of our approach to health and wellbeing which include analysis and monitoring of trends and annual medical statistics and reviews by external professional medical consultants, who then provide reports to the Company.

The external medical consultant monitors the health of employees on a monthly basis by analysing the reports in the site clinic as well as during direct return-to-work meetings following sick leave.

#### MONITORING EMPLOYEE HEALTH

Fully equipped medical clinics operate 24 hours a day at both sites, with dedicated, trained and qualified medical staff. Access to the clinics is provided to all employees and contractors for any work or non-work-related health concerns they may have.

All employees undergo annual medical tests, which are specifically oriented to their occupation and undertaken by external medical specialists. All medical information is strictly confidential, so results of annual medical examinations are delivered to the safety department in sealed envelopes which are then distributed to the workforce by hand, and the delivery registered. If issues are identified, they are followed up with the individual concerned.

At Sasa we received feedback from employees during the year that they would like to receive mammograms and prostate check-ups, and this is something that we will aim to include in medical checks from 2022.

In 2021, there were 1,203 referrals across the Group from the site clinics by 451 employees, predominantly relating to mild illnesses, which were unrelated to working activities. On a periodic basis the medical and safety teams analyse the referral data looking for trends that could signify potential occupational issues.

If issues are identified, then options to rectify them are considered and actions taken.

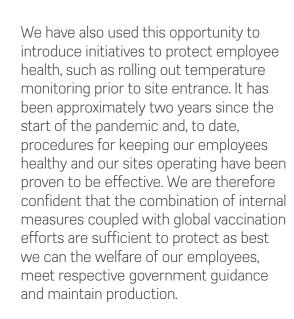
No occupational health issues were identified in 2021. In 2022, we plan to review occupational health exposure at Sasa by undertaking additional monitoring and control in those workplaces where we consider there is the high potential for occupational health exposure.

Over the years, several initiatives have been put in place to combat the build-up of acidic vapours in the enclosed EW-1 workshop at Kounrad. In addition to the appropriate PPE, including masks, a new ventilation system was installed in late 2020 and air quality testing during 2021 demonstrated improved results.

#### COVID-19

COVID-19 remains a risk to the welfare of all CAML employees and contractors, with cases of the virus recorded at both Sasa and Kounrad during 2021.

As a company we acted quickly at the start of the pandemic to implement strategies at both operations, which include increased use of PPE, site-based testing, social distancing measures and our own bespoke track and trace programme. These measures remain in place where appropriate.



Efforts are underway to promote the respective government's vaccination programmes at both operations. Vaccine hesitancy is an issue at Sasa and in North Macedonia more generally, so we are aiming to address this by showing video material in the canteen and displaying posters around the site, promoting the benefits of vaccinations, as well as organising an on-site vaccination programme. The Sasa mine Clinic is providing medical consultations with health professionals to allow employees to discuss their concerns and ask questions.



#### **HEALTH AND WELLBEING CONTINUED**

#### **COVID-19 VACCINATION** PROGRESS<sup>1</sup>

+ SASA

48%

KOUNRAD

99%

#### **HEALTH AND WELLBEING INITIATIVES**

Health issues are identified at both operations through referrals to site clinics, annual medical examinations and analysis of sick leave data. Employees who visit the clinic with recurring symptoms, no matter how minor, are directed to the local hospitals for consultation with a doctor. Employees with long-term conditions such as high blood pressure are cared for by the nurses on site.

The Company operates a zero-tolerance policy to alcohol in the workplace and has various initiatives in place to reinforce the negative impacts of alcohol on worker safety, which include the distribution of information leaflets and their presentation on noticeboards at our operations. Mandatory alcohol testing is undertaken for all employees, contractors and visitors at both operations.

We have the following measures in place at our operations to further educate the workforce on wellbeing and promote a healthy lifestyle:

- → COVID-19 management programme
- → Promotion of sensible drinking and healthy eating habits
- → Facilitating fitness amongst employees, through financial support for the gym, sports clubs and fitness park in Kamenica and the construction of recreational areas in Kounrad village and Balkhash
- → Distribution of booklets by first aid nurses at Kounrad, covering topics such as hypertension, upper respiratory tract diseases, prevention of COVID-19 and stomach diseases



<sup>1</sup> Number of employees who have received one or more doses.

# + FOCUSING ON OUR PEOPLE

OUR MATERIAL TOPICS





HEALTH & SAFETY





ENVIRONMENT



We are dedicated to treating all employees fairly, recognising core labour and human rights principles and supporting the right to freedom of association and collective bargaining, as well as respecting the right to be free of harassment or intimidation in the workplace. We look to promote our Company culture and provide a positive, stimulating and productive workplace, where continuous employee development is encouraged. We are cognisant of the benefits of broadening diversity and understand the importance of ensuring that the cultural values and customs of our employees and local stakeholders are respected and equal opportunities are supported.

## 2021 HIGHLIGHTS AND REPORTING ON STATED INITIATIVES

- → Review of cultural values conducted at Kounrad, with the same planned for Sasa in 2022
- → Establishment of site-based diversity and inclusion committees
- → Succession planning undertaken for key CAML leadership roles
- → Introduction of a HR system at Sasa
- → Training needs analysis conducted at Sasa
- → Success with culture change management programme at Kounrad

IN 2021, WE ESTABLISHED SITE-BASED DIVERSITY AND INCLUSION COMMITTEES



Employees and contractors<sup>3</sup>

1,255

Local employment at our operations

99%

#### FOCUS FOR 2022

- → Create Sasa training team and transform training throughout the operation
- → Progress suggested site-based diversity initiatives across the Group
- → Further development of new employee onboarding programme
- → Commit to support International Women in Mining with four new Sasa and Kounrad mentees as well as providing three CAML mentors to other course participants

#### **LONG-TERM TARGETS**

- → 20% female interviewees for each eligible role from 2023 onwards¹
- → 25% increase in female employees on a Group level by 2025²
- → Maintain 99% local employment across our operations

#### APPLICABLE GROUP POLICIES

- → Code of Conduct
- → Human Rights Policy

#### **RELATED SDGS**







For more information visit www.undp.org/sustainable-development-goals

1 Women are not legally allowed to work in underground operations in North Macedonia and, therefore, roles in which only males can work will not be included. In 2021 CAML have 19% female employees in applicable roles.

2 Versus 2021.

3 Scope includes London office.

#### + LABOUR RELATIONS

#### **OUR APPROACH**

We recognise that a motivated, dedicated and skilled workforce is a key enabler of our Company's success and we are committed to attracting and retaining the best people. The provision of employment opportunities within our local communities is one of the primary ways the Company can show a demonstrable benefit to stakeholders by contributing to the economic security of local workers, and therefore CAML prioritises local hiring.

Our Group People Manager is responsible for executing key HR objectives and aligning procedures with the CAML corporate culture and values, as well as regional legislation and management needs. We aim to ensure we have the succession plans and training programmes in place to develop our leaders of tomorrow.

The Group's Human Rights Policy promotes equality, fairness and ethical practices and is reinforced by the Company's Code of Conduct (see our website www.centralasiametals.com/ corporate-governance/company-policies/ for more details). We ensure that our guiding principles of equal opportunity, treatment and fair remuneration are adhered to across our operations. We abide by working hours laws as well as applicable laws surrounding employee benefits and contractual employment rights. We provide competitive salaries and benefits in the jurisdictions that we operate in.

We acknowledge workers' freedom of association and the right for our employees to bargain collectively within prescribed laws, communicating issues to management through designated employee representatives.

We have formal complaint and grievance mechanisms in place at Sasa and Kounrad for internal and external use. In 2021, we have further strengthened policies in line with local labour laws and union approval to ensure effective complaints procedures as well as adequate protections in terms of reprisals.

Our grievance mechanisms are based on the requirements of the IFC Performance Standards. Any significant concerns identified are treated confidentially and are elevated where necessary to an internal committee of senior managers to review and resolve complaints. A database is kept of all grievances to ensure they are resolved. If there were a grievance that could not be resolved internally, there are steps within the procedure that allow for the engagement of third parties, including official or legal entities.

Significant emphasis is placed on engaging with our employees and we have several avenues through which communication is facilitated and workforce satisfaction is gauged, covered on page 31.

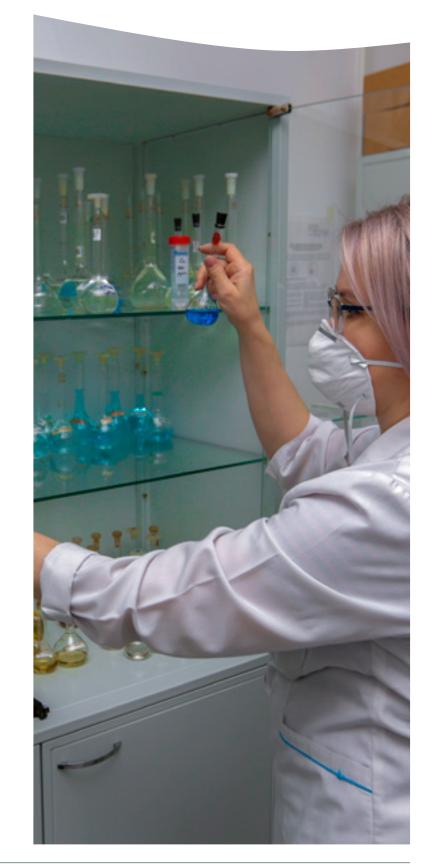
#### **OUR WORKFORCE**

+ Employees in 2021

1,052

Long-term contractors

203



1 Scope includes London office.

#### LABOUR RELATIONS CONTINUED

# LOCAL EMPLOYMENT OPPORTUNITIES

CAML is committed to the provision of local job opportunities in its countries of operation and demonstrates 99% local employment in North Macedonia and 100% in Kazakhstan.

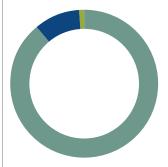
Due to the high rates of youth unemployment and emigration in North Macedonia, the provision of local job opportunities and training are particularly pertinent at Sasa, where CAML is the largest employer in the East Region of the country. We have various ways of ensuring proactive approaches to hiring, which include local careers pages, investment in career development at schools, scholarship sponsorships and using local and national recruitment firms.

To read more about addressing local skills shortages and how we are training the next generation, see page 32.

Both operations actively contribute to the local and national economy by engaging local contractors where possible. There were 111 long-term contractors working at Sasa by the end of 2021, and 92 contractors at Kounrad, in roles such as security, transport, catering and medical care.

# EMPLOYEES AND CONTRACTORS BY REGION

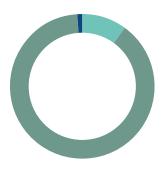
**SASA** 



■ Local – Makedonska Kamenica 89% ■ National 10%

Expatriate 1%

#### **KOUNRAD**



Local – Kounrad 10%
Local – Balkhash 89%
National 1%
Expatriate 0%

Sasa employees

712

Kounrad employees

323

Sasa senior management<sup>1</sup>

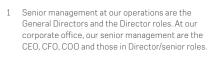
60%

hired from North Macedonia

Kounrad senior management

100%

hired from Kazakhstan





#### LABOUR RELATIONS CONTINUED

#### FAIR EMPLOYMENT AND WAGES

We want to ensure that our workers are well remunerated for their efforts, with a fair salary that reflects their hard work in our countries of operation. The lowest wages we offer employees at both operations significantly exceed local minimum wages, by 79% at Sasa in North Macedonia and 223% at Kounrad in Kazakhstan. The 2021 average annual salary at Sasa was \$17,856 and at Kounrad was \$16,140.

At Sasa, the payroll transformation project continued in 2021 to ensure that the payment of wages is fair and transparent. A number of review processes were conducted as part of this project, including: the hierarchy of jobs and subsequent benchmarking of roles within the business, pay structures, shift patterns, the retirement policy and obligatory pension payments, employment contracts and the consequences of moving from variable to fixed pay.

In 2022, a timeline and communication plan will be prepared and communicated to all employees for moving from variable to fixed pay. The simplification of the payroll will benefit our employees to promote clarity and transparency, and will also improve our financial reporting.

#### LABOUR RIGHTS

All our employees at Kounrad are covered by a collective bargaining agreement.

Negotiations regarding a three-year agreement at Sasa commenced in Q4 2021, with the intention to finalise and implement during 2022, following successful negotiations with the unions and management teams.

Sasa has two unions representing its employees: the Trade Union of Industry, Energy and Mining of Macedonia ('SIER'), representing 15% of the workforce, and the Multi-Ethnicity Union for Education ('MESO'), representing 34% of the workforce.

Meetings with union and employee representatives are usually held on a quarterly basis (or more frequently if needed) and they prove to be an effective way to better understand the employee views and work to resolve any issues that have developed.

Whilst union membership is uncommon in Kazakhstan, Kounrad has six employee representatives who communicate issues to management, forming an Employee Representative Group. Kounrad uses these representatives to gather opinions on any potential changes to terms and conditions of employment.

In line with the local labour codes/laws in North Macedonia and Kazakhstan, we have a policy to provide sufficient notice to employees before changing any employment terms and conditions. If the Company were to implement any significant operational changes, we would be required to provide at least one month's notice to enable sufficient time and consultation.

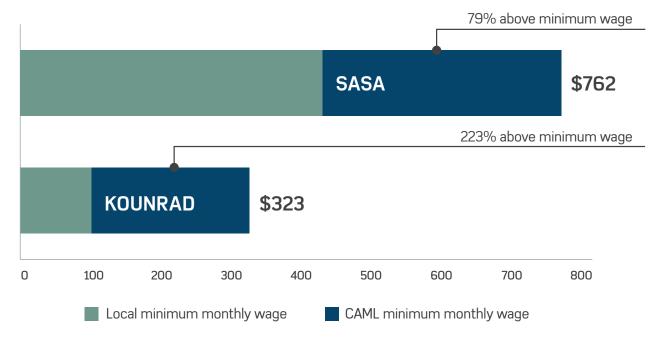
# EMPLOYEE ENGAGEMENT AND COMMUNICATION

Both sites make great effort to facilitate internal communications and we believe that clear and effective employee engagement is in place across the Group. Internal communications initiatives include:

- → Local websites at Sasa and Kounrad which provides information both for employees and local communities.
- → Open-door policy across the Group to facilitate effective communication between employees, direct supervisors, senior management and HR teams.
- → Bulletin boards and TV screens at sites to show information on Company goals and targets, results achieved, and new rules and procedures implemented.
- → Suggestion boxes at site, with comments reviewed regularly and, where appropriate, implemented.

During 2021, we established new committees for initiatives such as health and safety and diversity and inclusion. These committees comprise employees from all areas of the business and their purpose is to obtain feedback and identify areas for improvement. We will aim to use these committees to build a culture of trust and openness between our employees and management, as well as actioning agreed objectives.

#### 2021 local versus CAML minimum wage<sup>1</sup>



<sup>1</sup> In previous years local minimum net wage was compared, however, this does not reflect the actual minimum wage received by our employees. Going forward we will compare gross minimum wage.

# +WORKPLACE CULTURE AND DEVELOPMENT

#### **OUR APPROACH**

Our people are at the core of our business and employee development is pivotal to CAML's strategic and operational delivery. Training is an integral part of this, particularly given the industry in which we work, which requires a wide range of skills and capabilities. We believe that by encouraging employee development, we can also foster satisfaction and fulfilment amongst our workforce.

We look to embed a strong workplace culture throughout the business, underpinned by values which guide our daily behaviour. These areas are jointly managed between HR and our management teams.

A CAML 'People Plan' was developed in 2021 which focuses on embedding a Group-level approach to employee onboarding, HR administration, absence management and disciplinary procedures. Further detail is provided below in Human Resources and Employee Retention.

We uphold the International Labor Organization ('ILO') standards for decent and productive work for women and men in an environment of equal opportunity, the provision of social guarantees and respect for human dignity. All existing and future employees are evaluated according to their skills and abilities, and workplace discrimination on attributes such as age, race, gender identity, physical or mental disability, sexual orientation, religion, political opinion, or pregnancy is strictly prohibited by our Code.

CAML recognises the importance of diversity, specifically when considering the breadth of thought, approach and opinion that can be fostered by a diverse group. By embracing diversity and fostering inclusion, we believe we can unlock the power of all talent and work collaboratively and effectively. Research proves time and again that diverse and inclusive teams are more innovative, make better decisions and outperform their peers. At CAML, gender diversity is reported internally on a quarterly and annual basis and we use the data to evaluate our overall approach to (and success in) broadening diversity in the business. See our section on diversity (page 33) for more detail.

#### **OUR CULTURE**

Since inception of the Company, our culture has been to operate in an open and transparent manner and develop a long-term and sustainable business. CAML as a business has been built embracing technology and continues to operate with an enterprising spirit.

#### **OUR VALUES**

Recognising the fundamental importance of strong corporate values and to further motivate our employees, Kounrad reviewed their employee values during 2021. This required a strong element of employee engagement and focus, and we are looking to conduct a similar process at Sasa in 2022. We will then update our Group values, if necessary, based on the findings of these processes at our operations.

Our values inform the behaviour and standards expected of all our colleagues in the business regardless of location or role of that individual. Our employees are the essence of the Company and their conduct affects our work ethic, the decisions we make and our performance. We encourage our people to take ownership of their work, lead by example, and set achievable goals. Through this we facilitate improvement in our processes and practices, enabling us to meet the targets we set ourselves. Accountability for us means defining our responsibilities and fulfilling our commitments to our partners, employees and stakeholders. This means delivering on our objectives and goals efficiently in respect of time and cost.

# OUR VALUES ARE EMBEDDED WITHIN OUR PURPOSE



#### **HEALTH AND SAFETY**

The safety of our employees is a core value and we are passionate about protecting the health and wellbeing of our people. We work hard to monitor, assess and mitigate all the risks that could potentially cause harm to our employees. We strive to ensure that every individual within the Company understands that safety is their responsibility.



#### SUSTAINABILITY

Taking responsibility for sustainable development is our core objective and its importance is considered in each decision that we make. We aim to positively affect our employees and local communities, while minimising any adverse impacts on the natural environment.





We encourage our team to embrace change and commit to continuing to bring technology and innovation together to improve our operations. This approach helps us to use our resources wisely and efficiently in achieving long-term sustainable production.



#### **RESPECT AND TRUST**

We encourage open and constructive communications with team members and value collaborative working. We accomplish transparency through honest, fair, and open communication with all key stakeholders built on disclosure, clarity, and accuracy. We are open to recognising our faults and improving practices.

#### WORKPLACE CULTURE AND DEVELOPMENT CONTINUED

#### TRAINING AND DEVELOPMENT

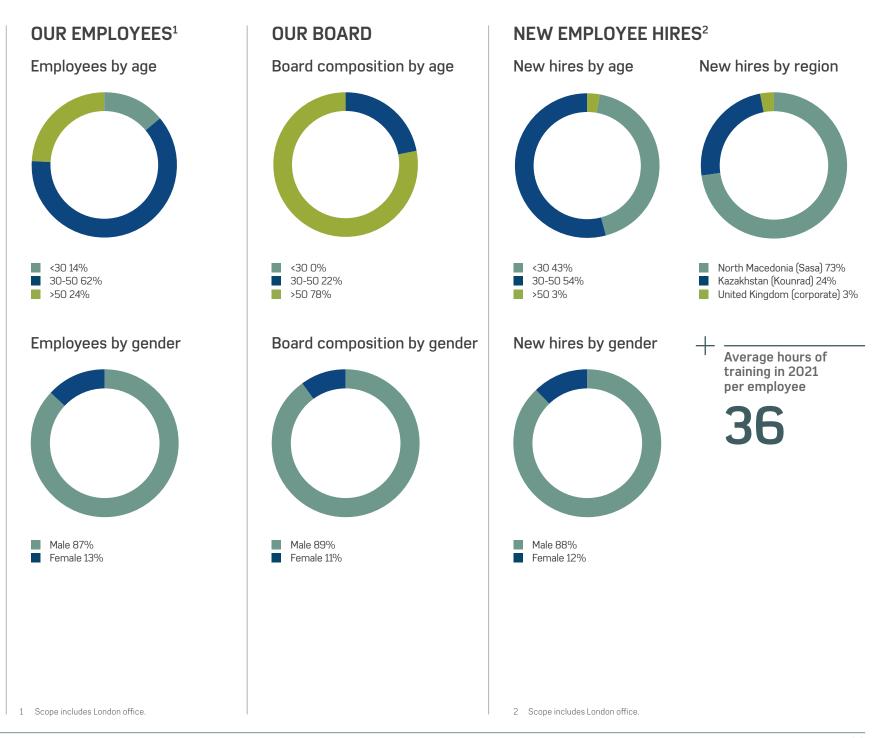
Effective skills development is vital to ensuring consistently high operating standards at our operations. In 2021, a training needs analysis was conducted and we identified the following subject areas for additional training: new equipment/maintenance work, Microsoft office training, management and leadership training and English language skills. By identifying specific areas for training, we can ensure a targeted approach.

As we are changing the mining method at Sasa, it is important to understand our current workforce's capabilities and identify any skills gaps, so that we can train accordingly and ensure our people are prepared. This is particularly important when we purchase new equipment. We have an underground mine training coordinator who is responsible for building technical mine training programmes to ensure our workforce has the required skills to safely mine for the future. In addition to this, a management training programme for Sasa is currently under development.

At Kounrad, focus was placed on improving our existing training system. The updated system includes several newly created policies and procedures, helping us to establish the requirements for compulsory and additional training needs. In addition, a new training register ensures standardisation across departments and allows for improved record keeping. The onboarding for newcomers and internal transfers has also been improved by the addition of a mentoring programme. Mentors will play a fundamental role ensuring their mentees receive high quality on-site training.

As a Group, we conducted a total of 37,805 online and in-person training hours in 2021, covering topics such as health and safety, onboarding, role-specific training, new equipment training.

During 2021, 14 of our employees at Kounrad undertook undergraduate studies, predominantly at Karaganda and Almaty Universities, in subjects such as metallurgy, geology, electrical engineering, mechanical engineering and economics. Two of our employees undertook hydrogeology and geology studies at the geological college for their college diploma.



#### WORKPLACE CULTURE AND DEVELOPMENT CONTINUED

#### **DIVERSITY AND INCLUSION**

The Company considers all forms of diversity important and CAML's Group People Manager, who is also a Non-Executive Director of Women in Mining Kazakhstan, is working to develop diversity across the Group. Collaborative working is included with our 'respect and trust' value and, as part of this, we aim to establish the behaviours and actions within the Company that ensure all our employees feel welcome.

We do not tolerate discrimination in any form and have mechanisms in place to raise any issues, such as the Whistleblowing hotline and the grievance procedure. Any matters identified will be dealt with by the appropriate personnel in a private and sensitive manner. No incidents of discrimination were identified at either site or in the London head office during 2021.

When considering gender diversity, male labour has traditionally prevailed in the mining and metallurgical industry, but in recent years the proportion of women employed in this field has increased. We strongly believe in the benefits of creating an environment in which women want to work and strive to form a diversified team of professionals in all areas of the business. We also have several initiatives in place to ensure that the workplace is attractive and suitable for all and to encourage broader diversity within our teams. These include providing flexible working options to enable employees to manage work and childcare obligations.

We are starting to see some positive developments at regulatory level in our countries of operation which should facilitate better gender diversity going forward, such as the amendment to the Labour Code of Kazakhstan, which now permits women to work in 'hazardous work conditions'. We consider this to be a very significant step in terms of achieving better gender diversity in the workplace. Sasa's Deputy General Director was recently appointed as the President of the North Macedonian Mining Association. He is planning on supporting the effort to lobby for women to be able to work underground, which is currently not allowed in the country.

At Group-level, women make up 13% of the total workforce – we recognise that improving gender diversity is an ongoing challenge for CAML and that we have further progress to make. 16%¹ of applicable roles are filled by females at Sasa and 20% of Kounrad's workforce are women. Our corporate head office shows much broader gender diversity, with 47% women in key roles such as: Group Financial Controller, Director of Corporate Relations, Group Legal Counsel and Group People Manager.

We sponsored the International Women in Mining ('IWiM') Mentoring Programme in 2021, which proved overwhelmingly successful and further detail can be found on page 34, and we have recently committed to again supporting this initiative in 2022.

We have 28 people with reduced working abilities employed at Sasa and 13 employees at Kounrad are registered with disabilities.

During 2021, we educated our employee committees on the importance of diversity and inclusion in the workplace. During 2022, we aim to provide a broader education around the subject of diversity and inclusion to our first-tier managers across the Group, to include eliminating unconscious bias, racism, and cultural and generational diversity.

# ESTABLISHMENT OF SITE-BASED DIVERSITY AND INCLUSION COMMITTEES

Focus groups, comprising female and male employee representatives and management, have been created at both operations to work collaboratively in generating ideas on improving our practices in the area of diversity and inclusion. Contributors discussed issues around improving gender diversity at each operation and put forward ideas as to how the Company can attract more women into the workplace.

During 2021, the Sasa Diversity and Inclusion Committee identified the need to further improve PPE and uniforms for women, and this will be undertaken in 2022.



At Kounrad, the Committee identified a number of areas where efforts will be focused in 2022. These include promoting opportunities to engage women for roles which were by law only applicable to men until recently, for example undertaking work in hazardous and/or heavy work conditions. We will provide training to support our current female employees in this effort going forward and, in addition, Kounrad will continue with educational channels to promote diversity and inclusion in the workplace and continue supporting women in science, technology, engineering, and mathematics ('STEM').

Link to values:





 Women are not legally allowed to work in underground operations in North Macedonia and therefore, roles in which only males can work have not been included.

#### WORKPLACE CULTURE AND DEVELOPMENT CONTINUED.

#### **HUMAN RESOURCES AND EMPLOYEE RETENTION**

In 2021, we started to build upon the foundations of HR at both of our operations, developing and streamlining processes and procedures in line with local legislation. This involved transitioning from manual administration towards working electronically by using, for example, an online HR system at Sasa and registering employees through an online government portal.

We also focused our efforts on succession planning, which involved reviewing eight key positions in our Group senior management team, including our two site General Directors. We strongly believe in the benefits of creating an internal talent pipeline, by preparing existing employees to fill vacancies within the Company as others retire or move on. Successors were identified amongst our team, who have the knowledge, skills and abilities to fill leadership positions, should the need arise. Succession planning has also allowed us to identify skill gaps that we will look to fill in the coming years by introducing career development plans.

Performance management has been an area we have been working on at CAML during the year. In 2021, as part of the Change Management Programme at Kounrad, designed to motivate employees to work efficiently and responsibly, the key performance indicator ('KPI') and bonus structure system was reviewed.

The new system (which will be implemented in 2022) has been simplified. with monthly performance reviews, allowing teams to identify problematic areas in a timely manner, as well as providing an opportunity to make improvements and recognise achievements.

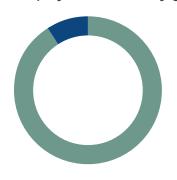
As part of our career development programmes, we have a 'Rising Stars' initiative at Sasa, whereby heads of departments nominate promising members of their teams, based on various criteria ranging from excellent work, strong collaboration through to living by CAML's values. Those nominated undertake an online personal assessment and a career development plan is then created in conjunction with their manager and a member of HR. Since implementing the initiative, one of Sasa's rising stars has been promoted to head up and develop a new department within maintenance.

Both operations, as well as our head office, display low staff turnover with the Grouplevel rate being 8% in 2021. We believe this demonstrates a good level of employee satisfaction.

We are fortunate to have been able to maintain our employment levels and have not furloughed any employees within the Company since the start of the COVID-19 pandemic.

#### EMPLOYEE TURNOVER<sup>1</sup>

Employee turnover by gender



Female 9%

#### Employee turnover by age



<30 5% 30-50 59% >50 36%

#### Employee turnover by region



North Macedonia (Sasa) 64% Kazakhstan (Kounrad) 34% United Kingdom (corporate) 2%

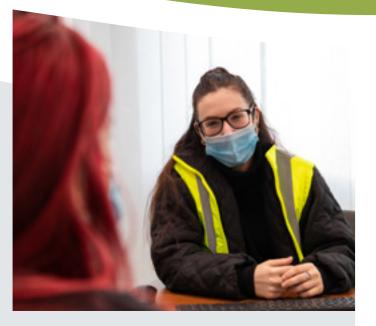
1 Scope includes London office.

### **CASE STUDY** INTERNATIONAL **WOMEN IN MINING MENTORING PROGRAMME**

During 2021, we sponsored the IWiM Mentoring Programme as part of our overarching aim to create a culture at CAML which supports an inclusive environment where people can equally develop new skills and behaviours.

Three of our female employees participated and some of the key topics covered as part of the programme were as follows:

- → Building self-confidence, belief and self-worth
- → Developing a career-mapping strategy
- → Communication techniques and styles
- → Developing team cohesion in challenging COVID-19 times
- → Developing a growth mindset
- → Developing leadership skills and individual style
- → Developing/continuing to improve emotional intelligence



The feedback received was very positive:

"I liked having an opportunity of meeting a finance professional who actively listened, who helped me to outline and develop my career goals and aspirations and identify my weak points and suggest ways of improving them."

"Enjoy and learn how to embrace and master the opportunity to step towards new challenges, simultaneously communicating authentically, building and maintaining strong relationships with the people around me. I learnt the skill of believing in myself, recognise, cherish and maintain my core values and being true to myself."

"The mentor – mentee matching was on point. I've made new contacts, I've widened my network, I've addressed some of my personal career challenges and I've grown in confidence. I have learnt how important self-confidence, emotional intelligence and resilience at the workplace are."

Link to values:



SUSTAINABILITY



# CARING FOR THE ENVIRONMENT

OUR MATERIAL TOPICS











We recognise our responsibility, as a contributor of greenhouse gas emissions, to identify and implement programmes to minimise energy usage where possible, as well as to mitigate and adapt to the impacts of climate change throughout the value chain. We monitor water use and aim to minimise surface water withdrawal, whilst also carefully managing discharge water quality.

We are committed to effectively and responsibly managing tailings storage facilities and proactively working to reduce and recycle non-mineral, hazardous and non-hazardous material waste and preventing or reducing pollution. We aim to protect and promote biodiversity and will ensure a responsible approach to rehabilitation and closure planning to ensure a sustainable legacy, recognising the potential for an operation to impact on the environment and local society after the end life of the asset.

### 2021 HIGHLIGHTS AND REPORTING ON STATED INITIATIVES

- → Zero severe or major environmental incidents
- → Developed Group Climate Change Strategy
- → Initial reporting towards the Task Force on Climate-Related Financial Disclosures ('TCFD') included in this report (see pages 37-43) and also referenced in 2021 Annual Report
- → Sasa negotiated to acquire solely renewable power
- → Energy efficiency audits completed at both operations
- → Commitment to reporting to GISTM within three-year timeframe
- → Environmental studies associated with Cut and Fill Project at Sasa undertaken
- ightarrow Completion of river remediation at Sasa
- → Sasa water balance and management plan updated
- → Water abstraction impact assessment at Lake Balkhash undertaken
- → Sasa asset retirement obligation ('ARO') studies undertaken and closure plans/costs updated

2021 Group carbon emissions

81,698tCO<sub>2</sub>e

Reduction in Group 2021 GHG emissions

17%

1 Versus 2020

DURING 2021, WE

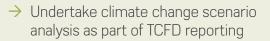
**DEVELOPED OUR** 

**GROUP CLIMATE** 

CHANGE STRATEGY







- → Progress Cut and Fill Project ready to begin transition of mining method in 2023
- → Kounrad ARO studies to be completed and closure plans/costs updated



#### **LONG-TERM TARGETS**

- → Zero severe or major environmental incidents
- → 50% reduction in Group¹ GHG emissions by 2030 and net zero by 2050
- → 75% reduction in surface water abstraction at Sasa by 2026¹
- → 70% tailings to be stored in a more environmentally responsible manner (paste backfill and dry stack tailings) by 2026
- → Report Scope 3 emissions by 2024
- → Report to Global Industry Standards on Tailings Management ('GISTM') by 2024

#### **GROUP POLICIES**

- → Sustainability Policy
- → Climate Change Policy

**RELATED SDGS** 





For more informatio

visit www.undp.org/sustainable-development-goals

CENTRAL ASIA METALS PLC

## **CARING FOR THE ENVIRONMENT** CONTINUED

#### **OUR APPROACH**

We take our environmental responsibilities seriously and ensure that we comply with the laws and regulations of countries of operation. Compliance with legal requirements is constantly monitored and is essential for maintaining our licences.

CAML has environmental departments at both operations, staffed by qualified environmental engineers who report directly to the General Directors and the Group Sustainability Director.
Environmental issues are reported on a regular basis to the Sustainability Committee, CEO and the Board; feedback is provided with the aim of generating constant improvement. The CAML Board has ultimate responsibility for the Group's environmental management.

Comprehensive environmental management systems ('EMS'), which take IFC PS and Equator Principles into account where feasible, have been developed and approved by senior management for both operations.

The implementation and continuous improvement of the EMS for each operation is undertaken in accordance with the standards of the countries in which we operate, and in line with international best practice. Sasa is certified and adheres to ISO 14001 standards. Whilst Kounrad is not formally certified by the ISO 14001 certificate, the project operates in accordance with requirements of this standard.

Central to the EMS for our operations and CAML's environmental work more broadly are the monitoring, measurement, analysis and evaluation of aspects, such as water, air quality, soils, biodiversity, hazardous material handling, waste generation and recycling, greenhouse gas ('GHG') emissions and energy efficiency. The sites undertake internal inspections focused on environmental performance, with formalised documenting systems in place at our operations. External inspections are periodically carried out as required by relevant local regulators.

Environmental objectives and targets are set annually for the respective levels of internal organisation and are considered during the annual remuneration review.

Suitable emergency response plans are in place for environmental issues at both operations. Although the main aspects of environmental control are fundamentally the same at both operations, the environmental risks and areas of focus at Sasa and Kounrad are very much sitespecific and are covered in more detail in this section of the report.

As part of the work to transition our mining method from sub-level caving to cut and fill stoping at Sasa, an Environmental and Social Impact Assessment ('ESIA') has been carried out. A key element of this study is establishing the potential impacts of using a paste backfill and the dry stack tailings deposition method on the environment. The ESIA Study was submitted to the Ministry of Environment and Physical Planning ('MoEPP') in 2021 and will be subject to a public hearing, a report on the adequacy of the ESIA study, and a formal decision in due course.

#### **TRAINING**

Workforce education on environmental issues is considered important across the Group and is carried out via inductions (for example, to raise awareness amongst contractors and visitors regarding the importance of responsible waste management, waste minimisation and recycling), educational talks and other training sessions for employees, and also for contractors and visitors.

Continual competence and skills improvement for environmental employees is taken seriously and facilitated via various targeted training programmes throughout the year.

During 2021, several training courses were conducted across the Group, as follows:

#### Sasa

- All employees, visitors and contractors received internal environmental training on waste management
- → Employees received external online training on environmental protection measures, delivered by Goce Delchev University in Stip
- → The environment team received training relating to new waste management laws in North Macedonia, as well as technical training for new field monitoring equipment

#### Kounrad

The environmental team received training on the following topics:

- → Regulatory approach to the new Environmental Code of Kazakhstan
- → Data monitoring for sustainability reporting purposes
- → Environmental challenges surrounding energy usage

# **ENERGY USAGE AND CLIMATE CHANGE**

# INITIAL REPORTING TOWARDS THE TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD')

#### CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES



#### Governance

The organisation's governance around climate-related risks and opportunities.

#### Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

#### **Risk Management**

The processes used by the organisation to identify, assess, and manage climate-related risks.

#### **Metrics and Targets**

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

#### **OUR APPROACH**

Tackling climate change is one of the most important challenges of our time and we believe that every government, community, company and individual has a vital role to play in reducing carbon emissions and safeguarding the future of the planet.

CAML's purpose is to produce base metals, which are essential for modern living, profitably in a safe and sustainable environment for all our stakeholders. It is this purpose that shapes our business model and our strategic decisions. As an organisation, we recognise the growing importance of understanding the impact of climate change on the environment and its potential impact on the business and have therefore developed a Climate Change Strategy in 2021.

Base metals, particularly copper which is used in wiring, electric motors, wind turbines and other technologies, are integral components of the clean energy transition and therefore CAML's most material way of supporting this global effort is by producing these metals which contribute positively to the energy transition.

We have adopted the TCFD framework and recommendations as a guide for our efforts to understand how climate change could impact a broad range of our business drivers. This provides a structured approach to work towards embedding climate into our decision-making, and also enables us to learn from and apply best practice on reporting and disclosures. We see this as an opportunity to build on the work we have already done in this area, increase the quality of, and provide meaningful transparency in, our disclosures whilst taking the first steps on the roadmap of TCFD reporting. In doing so, we hope to provide our stakeholders with a better understanding of CAML's operational and business resilience to climate change as well as how we are currently, and are further planning to, incorporate climaterelated risks and opportunities into our business model. This section of the 2021 Sustainability Report provides context towards the four key TCFD reporting aspects shown in the diagram opposite.

### PROGRESS TOWARDS TCFD

RECOMMENDATION	DISCLOSURE TOPIC	ALIGNMENT STATUS
Governance	Board oversight	Our Board receives regular climate-related updates from Committees and management in most meetings, and these findings shape our strategies and decision-making processes.
	Management's role	We have several committees and management-level positions with climate-related responsibilities, including assessing and managing climate-related risks.
Strategy	Risks and opportunities	Our climate risk assessment resulted in a climate risk register, identifying risks and opportunities over the short, medium, and long term. As we work to deepen this analysis, we will further disclose key risks and opportunities.
	Impact on organisation	Applying the results of the climate risk assessment, we have developed a Climate Change Strategy to manage risks and act on opportunities. In 2022, scenario planning will deepen our understanding of the direct and indirect climate-related impacts to our business, financial planning, and strategy.
	Resilience of strategy	Following completion of our planned scenario analysis, we will be able to test our strategic resilience in a range of climate futures and develop new strategic responses as appropriate.
Risk Management	Risk identification and assessment	We have identified existing and emerging physical and transition climate risks and incorporated these into our Group risk register.
	Risk management	Risk owners are identified and we establish measures to mitigate, transfer, accept or control the impacts of identified climate-related risks. Risks, and our response, are monitored on a quarterly basis.
	Integration of risk management	Our identified climate-related risks are included in our Group-level risk register and are integrated into our established risk management practices.
Metrics & Targets	Climate-related metrics	We have established a shadow carbon price, which can be applied to our financial models to aid decision-making. We will continue to evaluate other relevant metrics as we further analyse the results of the risk assessment and begin to act on our Climate Strategy.
	Scope 1, 2, 3	We report Scope 1 and 2 emissions, and are working towards reporting Scope 3 emissions for the 2023 operating year in 2024.
	Climate-related targets	We are targeting a 50% reduction in Scope 1 and 2 combined GHG emissions by 2030 from a 2020 base. We will continue to evaluate other potential targets, such as for Scope 3 or for risk and opportunity management.

#### **GOVERNANCE**

CAML's Board has ultimate responsibility for all sustainability matters in the Group. Our response to climate change and our overall approach to energy usage and climate change is governed in the same way as all our sustainability management practices (as set out on page 11).

Regular updates on sustainability, including climate-related matters, are given by the Committee and management via reports and presentations at most Board meetings. In addition, the Audit Committee and its Risk Committee monitors and manages risks, including new and emerging risks such as climate change, and co-ordinates with the Sustainability Committee in presenting these to the Board. These findings shape our decision-making process and strategy. An overview of our new initiatives, direction of travel, progress and priorities as we strive to align and enhance our governance and reporting framework with the recommendations of the TCFD is shown in the table on page 38.

As we advance our work on risk management and validate our Climate Strategy in 2022, we will further evaluate relevant and meaningful KPIs to support monitoring and measurement of progress towards climate risk management, at the Board and management levels. Our Remuneration Committee is also instrumental in our efforts in this area, with the setting of ESG targets as part of our long and short-term incentive plans to ensure management accountability for all aspects of the business' performance.

We recognise that this includes climate-related risks and opportunities and are evaluating how climate targets could be integrated into existing ESG and sustainability targets. Integration of these measures would demonstrate that Executive Director and senior management remuneration is intrinsically linked to climate and sustainability performance and aligned with the Group's long-term strategy and purpose.

Management's role in assessing and managing climate-related risks and opportunities

#### CAML BOARD

Has ultimate responsibility for the Group's responses to climate change. It confirms the Group's Climate Change Strategy and regularly reviews any changes to the policy and progress on goals as presented by the Sustainability Committee and the Executive Committee.

#### **SUSTAINABILITY COMMITTEE**

Manages and addresses, on behalf of the Board, material policies, processes, and strategies designed to manage climate-change risks and opportunities. Oversees the Executive Committee's approach to climate change and reviews goals proposed by the CEO and Executive Committee before presenting to the Board. Monitors progress on targets and notifies the Board of any deviations from established goals.

#### **AUDIT COMMITTEE**

Reviews the Group's risk management framework and material risks, including those relating to climate change.

#### **REMUNERATION COMMITTEE**

Sets KPIs and other performance-related metrics as well as ensures that remuneration arrangements incorporate sustainability considerations.

#### **CEO AND EXECUTIVE COMMITTEE**

Delivers the goals of the approved Climate Change Strategy, drawing on third party research, stakeholder engagement, and input from the management team for delivery to the Sustainability Committee. Ensures the Group's business development strategy, decision-making, and risk management process includes climate-related considerations.

#### **RISK MANAGEMENT COMMITTEE**

Supports the Executive Committee and the Audit Committee in ensuring that a robust risk management framework is in place. In collaboration with management and the Executive Committee, assesses mitigation of principal climate-change risks which could materially impact the business. In 2022, we hired an experienced and dedicated Group Internal Controls and Risk manager to bolster this effort.

#### **CLIMATE CHANGE STRATEGY**

In 2021, based on the results of our initial climate risk and opportunities identification and assessment, we developed a Climate Change Strategy. In 2022, we will validate this strategy through climate scenario analysis, and further development of risk assessments and mitigation options. In formulating our Climate Change Strategy, we have taken the following key aspects into account:

#### **OUR GEOGRAPHIES OF OPERATION**

Kounrad is in the Karaganda region of Kazakhstan and Sasa is in North Macedonia. We currently receive grid power at both operations, a large portion of which is fossil-fuel-derived in North Macedonia and is solely coal-fired in Kazakhstan. Both countries have climate targets, which will support our efforts to reduce our emissions contributions, and we will also look to contribute to those efforts (see case study on page 44). We will continue to explore how we can progress our climate objectives whilst recognising the climate landscape and existing constraints of the countries we operate in.

#### THE LIVES OF OUR ASSETS

We currently expect the lives of our operations to be until 2034 at Kounrad and to 2037 at Sasa. This introduces economic and practical constraints to progressing towards net zero for our current assets. We will therefore focus on identifying meaningful GHG emission reduction targets for Sasa and Kounrad, which should see us reduce our carbon footprint and thereby contribute to the global climate change effort. Additionally, we can commit to working towards net zero by 2050 by taking climate considerations into our long-term business development decisions.

# **ENSURING OUR OBJECTIVES ARE**

We will not over-promise and under-deliver, so our GHG reduction targets must be stretching, yet achievable. We support the UN's approach to the SDGs and firmly believe there are also other important sustainability priorities, such as those identified by our own stakeholders. As a relatively small company with limited financial means and many stakeholders with which to share our value creation, we believe that we must focus on achievable and affordable climate change solutions that are the right size for our business and meaninaful to our stakeholders.

Incorporating these considerations, we have developed a climate change strategy with five pillars, which we integrate into many aspects of our business. These pillars are:

#### PRODUCING METALS WHICH CONTRIBUTE **POSITIVELY TO THE ENERGY TRANSITION**

We produce copper, zinc

and lead. Demand for

copper is expected to

increase due to its use

technologies and electric

vehicles. Zinc is used to

galvanise steel and iron,

Additionally, zinc is used

alternative to lithium-ion

batteries. Lead is used

in lead-acid batteries.

which are required in

electric vehicles.

which reduces corrosion

in renewable energy

and increases the

lifespan of products.

in batteries and may

offer a cheaper

**WORKING TOWARDS DECARBONISATION** 

We have implemented

or are planning several

decarbonisation

initiatives, many of

later in this report.

which are discussed

Our initiatives include

Purchase Agreement

(PPA), switching to a

efficiency initiatives.

We are also exploring

vehicles at Sasa and the

construction of a solar

power plant at Kounrad.

the use of electric

more efficient fossil fuel

source and other energy

a renewable Power

2

**ENSURING WE ARE OPERATIONALLY RESILIENT** 

3

We have identified our physical risks for Sasa and Kounrad as well as some transition risks. These are incorporated into our Group-level risk register and we will continue to monitor these risks and our mitigation responses on a quarterly basis.

#### **FOCUSING ON OUR** STRATEGIC AND **BUSINESS RESILIENCE**

We have incorporated shadow carbon pricing into our financial modelling, which helps us to future-proof our decision making. We consider climate change in our business risk due diligence,

5

#### **DELIVERING CLEAR** AND TRANSPARENT **CLIMATE-RELATED** REPORTING AND **DISCLOSURES**

We understand that clear and transparent disclosures are crucial for our stakeholders and we are working towards further alignment with TCFD recommendations. For 2022, we plan to in 2024.

development activities, conduct TCFD-aligned such as undertaking scenario analysis to physical and transition better understand our transition risks and considering our GHG opportunities in a range statistics, and continuing of possible climate futures. This will allow us to produce base metals that are essential for to generate strategic and modern living. operational responses that will increase our resilience to climate change. We also plan to report our Scope 3 emissions for 2023

#### **RISK MANAGEMENT**

#### **OUR PROCESS OF MANAGING RISKS**

We identify and monitor our climaterelated risks at the corporate and site level. At the site level, physical climate-related risks are incorporated into our risk register. Identified risks are discussed and reviewed on a quarterly basis as part of the sitebased Sustainability Risk Committees. These committees included sustainability team members as well as site based risk coordinators (managers) and the Group Internal Controls and Risk Manager. Principal site and corporate level risks are assessed and reviewed by the Group Risk Committee. Thereafter, our process for managing climate-related risks is described in the Governance section on page 39.

Within our business, there are several avenues by which climate-related risks and opportunities are identified, managed, and monitored. Initially, the Group engaged a third-party climate specialist to conduct a comprehensive climate risk assessment exercise across our operations. The results have been integrated into the Group's existing risk management processes, serving as a baseline by establishing the risks most consequential and material to the business.

The risks associated with climate change can be either physical risks or transition risks. Physical risks are caused by changing environmental conditions and can be chronic, such as changing precipitation patterns, or acute, such as flooding. Transition risks are related to the global effort to transition to a low carbon and sustainable society and economy, arising through policy and regulation, market shifts, technology, and reputational impacts.

#### **PHYSICAL RISKS**

In 2021, we engaged an external consultant to help us understand the physical risks that Sasa and Kounrad are exposed to. Physical hazards were analysed based on data from credible sources including The World Bank and the Water Risk Atlas from World Resources Institute, using the RCP4.5 and RCP8.5 scenarios. The impacts of the physical hazards were considered against production/revenue, capital cost, operating cost, health, safety and environment, and reputation and stakeholder management. Each physical risk was then assigned a risk score between 'none', which indicated a physical hazard was not relevant to a site, to 'high'.

Using the results of this physical risk assessment, we were able to add the identified physical risks to our Group risk register. Our team also developed the results of the risk assessment further; for example, acute precipitation events at Sasa could have an impact on our tailings storage facilities, or chronic precipitation changes could have implications for our overall water management processes. Risk owners were identified, and control and mitigation measures were established for all risks. We will continue to monitor our climate risks and our responses to them on a quarterly basis.

Landslides, which could be caused by extreme rainfall events or by prolonged rainfalls at Sasa, were identified as one potential physical risk. We have engineered several responses, such as modifying the geometries of several slopes and installing piles and retaining walls. We are also employing nature-based solutions by planting trees on a recultivated tailings storage facility, and planting 3,600 trees and 250 shrubs on bare lands and impacted areas along the Kamenica river (see further detail on page 50). This also provided us an opportunity to complete river remediation and biodiversity improvement activities, contributing to broader sustainability objectives and the SDGs.

#### TRANSITION RISKS

We also completed a preliminary assessment of transition risks and opportunities.

# Managing the risk posed by external carbon pricing

Within our Group risk register, we have identified carbon pricing as a transition risk; one of our responses was to start evaluating shadow carbon pricing to understand our exposure to future carbon pricing regulations. We now have the capability to embed external carbon pricing scenarios into our current financial models. This can aid our decision-making by translating emissions tonnage into financial cost, helping us to understand our operational exposure and resilience to future carbon pricing increases, and incentivising our emissions reduction activities. We have selected a preliminary shadow carbon price based on estimates from external sources, such as The World Bank and the EU carbon price.

The World Bank estimates a carbon price of between \$50-100/ tCO<sub>2</sub>e; therefore, for this source, we have assumed a carbon price of \$75/tCO<sub>2</sub>e. In February 2022, the EU carbon price was EUR 97/tCO<sub>2</sub>e. Going forward, we will be applying our shadow carbon price to the net present value ('NPV') of assets we appraise. In doing so, we will ensure our assets are resilient to further external carbon pricing increases.

As part of our scenario analysis exercise, we will consider other ranges of carbon pricing that we should evaluate in our decision-making, based on different global transition scenarios.

#### **METRICS AND TARGETS**

#### **EMISSIONS REDUCTION TARGETS**

Within the constraints of our current assets, we recognise that the double materiality of climate risk means we have a responsibility to contribute to climate mitigation as well as to manage risks potentially arising to the business from our emissions footprint. We further recognise that managing emissions has a role to play in how we grow the company.

For our existing assets, Kounrad and Sasa, we have set a target to reduce our Group-level Scope 1 and 2 emissions by 50% overall by 2030 as compared to a 2020 base year.

Additionally, we are committed to achieving net zero by 2050 and we will apply this commitment through our business development activities by ensuring that climate and carbon emissions are embedded in our decision-making processes.

#### **EMISSIONS REDUCTIONS INITIATIVES**

To achieve our decarbonisation target of 50% by 2030, we have developed a preliminary set of initiatives that should support decarbonisation through the lives of the asset.

These initiatives focus initially on renewable energy acquisition or generation and fuel improvements. In 2022, we have continued to explore and understand the potential of these initiatives and will continue identifying other opportunities.

Initiatives include:

#### **RENEWABLE POWER FOR:**

#### Sasa

Sasa recently negotiated to acquire solely renewable power from its North Macedonian power provider, EVN, from 1 July 2021. Auditing of renewable energy consumption and associated GHG emission reduction claims is in its infancy in North Macedonia, and the reduction in emissions will be based on EVN's auditing procedures. This should result in an annualised c.94% reduction in Sasa's Scope 2 emissions, or approximately 35% overall for the Group.

#### Kounrad

Page 43 outlines the Kounrad Solar Project, advancing into detailed engineering design. This project could replace 22% of Kounrad's energy, reducing overall Group emissions by approximately 7%.

#### REDUCING COAL CONSUMPTION

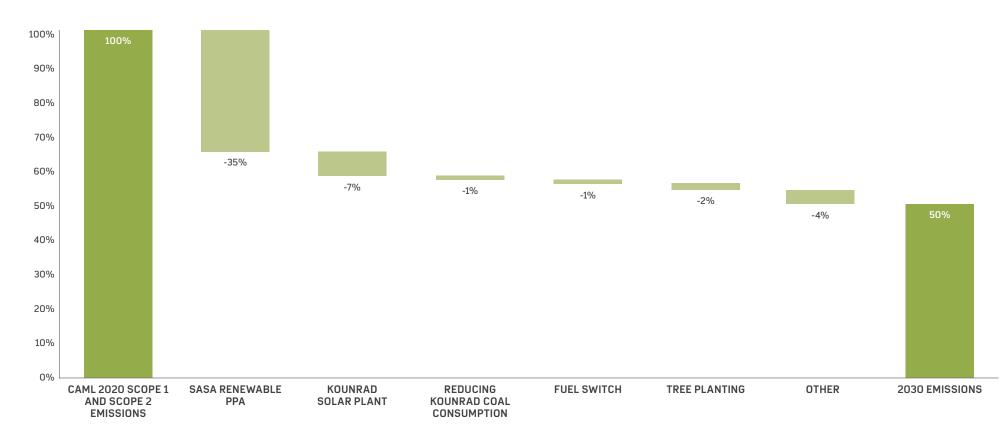
A detailed review of fuel sources which could potentially replace coal has been undertaken for Kounrad. None of the proposed alternatives are being considered due to a combination of limited GHG reduction potential coupled with significant operating and capital cost implications. However, the study did identify potential opportunities to reduce coal consumption. The impact on our Group-level emissions could potentially be 1%.

#### **EVALUATING FUEL SWITCH**

The Sasa team, alongside mobile plant contractors Epiroc, is undertaking an analysis into the practical and financial implications of purchasing electric underground machines for drilling, loading, and hauling of ore. Further details will be provided in due course.

#### TREE PLANTING

Our team is investigating the planting of trees both in the UK and in North Macedonia. In particular, we are working to identify areas, ideally in North Macedonia, where we could plant trees to offset Sasa's Scope 1 emissions on an annualised basis (approximately 3,000 CO<sub>2</sub>e) over the life of the trees, equivalent to 0.175t CO<sub>2</sub>e per tree.



#### **NEXT STEPS**

In 2022, we intend to conduct scenario analysis to improve our understanding of the transition risks posed in several different climate futures. Though our Group risk register already contains some transition risks, this process will allow us to understand and identify additional risks and infer the probability and impact these risks could have in each scenario. This will allow us to develop appropriate responses and strategies to ensure our resilience in the face of an unknown climate future. Additionally, we will be identifying the opportunities that climate change could bring, such as technological changes, so that we can recognise and capitalise on these.

We have committed to estimating our Scope 3 emissions during 2023, with a view to reporting those in 2024.

# CASE STUDY KOUNRAD SOLAR PROJECT

RELATED CLIMATE STRATEGY PILLARS

2

WORKING TOWARDS DECARBONISATION

4

FOCUSING ON OUR STRATEGIC AND BUSINESS RESILIENCE The Kazakh economy is heavily dependent on the oil and gas industry and the production of coal for cost-effective industrial and manufacturing processes. Currently, the renewable power industry is in its infancy in Kazakhstan and tariffs for the largely fossil-fuel-based power are low. This may create economic barriers to entry for new renewable energy producers.

The Kazakh government has stated its target to increase renewable power as a proportion of overall power to 15% by 2030. At the Conference of the Parties 26 ('COP26') in Glasgow, Kazakhstan also pledged to reach carbon neutrality by 2060 and also signed an agreement to phase out inefficient fossil fuel subsidies. On 1 January 2022, the Kazakh government lifted a government-enforced cap on liquified gas, which lends action towards these climate objectives. However, large-scale civil unrest resulted, with significant injury to people and extensive property damage in some regions.

The complexity of the situation for the Kazakh government highlights the challenges that climate action will bring for regions that are heavily dependent on fossil fuels and fossil fuel subsidies. Implementing climate agendas has significant socioeconomic implications which must be considered. Governments will need to rely on private sector support and tangible action to progress with climate action and enable a just economy-wide transition to low carbon.

We have been working on a scoping study for renewable electricity generation at Kounrad. We assessed the site's solar and wind potential by modelling installed capacity, power generation and the financial costs and project economics involved. We also investigated the predictability of power generation and the technical competencies required to manage each source.

We have concluded that a 4.77 megawatt ('MW') solar energy plant is an opportunity for us to:

- → Replace 22% of our Kounrad electricity consumption, which will marginally reduce our cash cost per lb and therefore modestly improve our profitability
- → Reduce our Group GHG (Scope 1 and Scope 2) emissions profile by an estimated 7%
- → Reduce our exposure to external carbon pricing risk
- → Improve our reputation with Kazakh authorities and with other local and international stakeholders and shareholders
- → Contribute to the SDGs

Our Board has approved the development of this solar project and the Kounrad team has been instructed to commence detailed engineering design. The plant location has been decided and a preferred contractor identified.

Link to values:





#### **MONITORING**

The environmental teams at both operations carry out calculations and analysis of GHG emissions which are reported to senior management on a monthly basis.

As a Group, we have always operated a firm policy of strict cost control. Energy efficiency is a key component in cost minimisation, given its significant contributions to operating expenditure. By monitoring both costs and energy intensity on an ongoing basis, we assess the robustness of our energy efficiency strategies at our operations, as well as their related carbon intensity. We ensure that energy is used responsibly and provide appropriate training to our employees in this regard. We apply energy-saving measures and work to improve the energy performance of all our technological processes wherever possible. Both operations are required to continually review and assess the potential for further energy efficiencies.

A report which assesses the effectiveness of energy efficiency measures implemented at our operations is prepared annually. Energy efficiency audits have been undertaken at both operations during 2021 and consideration is being given to determine how further energy-saving measures can be identified.

The Company adheres to various energy regulations in its countries of operations, which include the Law on Energy Conservation and Energy Efficiency Improvement at Kounrad and the Law on Energy, the Law on Energy and Energy Efficiency, Long Term strategy for Climate Action and the Law on Climate Action (Draft) at Sasa.

At Sasa, we also look to operate in accordance with the relevant European Union Framework Directives.

#### SASA

Sasa is an underground mine where ore is transported to the surface by shaft and trucks. Scope 1 emissions reflect the site's fuel consumption together with explosives, and other consumables.

The processing plant is a standard froth flotation system, operated by grid power. Whilst a large proportion of the available grid power in North Macedonia is coal-fired (and therefore reflected in Scope 2 emissions), Sasa recently negotiated to acquire solely renewable power from its provider, EVN, from 1 July 2021. As a result of this mid-year development, 49% of Sasa's power purchased in 2021 was renewable, representing a substantial increase from 6% in 2020.

Notwithstanding this material improvement in GHG emissions, reducing electricity consumption remains a top priority. It should be noted that energy consumption is expected to rise during the construction and operational phases of the Cut and Fill Project.

#### **KOUNRAD**

Scope 1 emissions at Kounrad predominantly reflect an essential part of our processing, which requires the heating of leaching and copper-bearing solutions in winter with coal-fired boilers to prevent freezing. A detailed review of fuel sources has been conducted and is discussed in 'Emissions reductions initiatives'.

Kounrad's EMS includes monitoring the efficiency of boiler treatment plants and the quality of incoming fuel. A recent initiative to increase efficiencies included modifications to the pump and pond network, which should reduce heat loss by feeding the solution directly from one pond to the SX heat exchangers, rather than from a series of settlement ponds.

With no mining operations at Kounrad, we do not use a significant diesel-fuelled mobile fleet to drill, blast or haul. Thus, there is limited opportunity to reduce Scope 1 emissions from electrical vehicles.

An energy efficiency audit was conducted in 2021; however, due to the relatively young age of the operation's equipment, no material savings were identified.

In the Karaganda region of Kazakhstan, most grid power is coal-fired, which is reflected in the Scope 2 emissions. As part of our Climate Change Strategy, the development of a solar project at Kounrad has been approved by the CAML Board, with further detail on page 43.

# Energy intensity against copper equivalent production



#### **2021 PERFORMANCE**

#### Energy usage

Total energy consumption stayed broadly the same in 2021 versus 2020 at 694,441 GJ in 2021 (2020: 695,620 GJ). Electricity consumption accounted for 53% of total energy consumed, although 11% of the Group's total energy consumption was from renewable sources.

2021 electricity usage at Sasa stayed broadly the same as 2020 (155,969 GJ in 2021 vs 157,853 GJ in 2020). At Kounrad, electricity usage increased by 3% to 209,935 GJ (2020: 203,242 GJ), due to a higher iron content solution in 2021 compared to 2020, which reduced the current efficiency rate.

# **2021 PERFORMANCE** CONTINUED **Emissions**

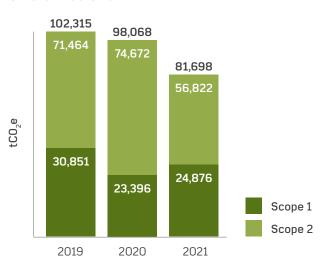
Scope 1 and 2 emissions from the Sasa and Kounrad are calculated and reported annually. Emissions were calculated using the methodology of the GHG Protocol and this methodology was supplemented by country and sector-specific information.

Group-level Scope 1 and 2 emissions continue to decrease from 2019. Scope 1 and 2 emissions totalled 81,698 tCO<sub>2</sub>e for 2021, a 17% reduction from 2020, primarily driven by the Sasa renewable energy PPA. Scope 1 and 2 GHG intensity also continued to show improvement from 2019, with a reduction to 3.14 tCO<sub>2</sub>e/tCuEq in 2021.

At Sasa, total emissions decreased from  $42,682\,t\text{CO}_2\text{e}$  in  $2020\,\text{to}\,24,101\,\text{tCO}_2\text{e}$  in 2021, representing a 44% reduction year on year, due largely to the 47% reduction in Scope 2 emissions. Despite reduced tonnage in copper-equivalent production in  $2021\,\text{due}$  to the relationship of the copper price to the lead and zinc prices, we succeeded in reducing our GHG intensity compared to both  $2020\,\text{and}\,2019$ .

At Kounrad, total emissions were 57,597  $tCO_2e$ , a slight increase from 2020, and this is largely due to an increase in iron content of the Western Dump ore, leading to higher electricity usage and therefore elevated Scope 2 emissions.

# Group Scope 1 and Scope 2 GHG emissions



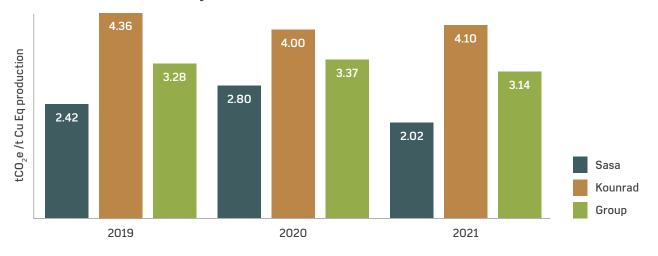
2021 Group carbon emissions intensity

**3.14tCO**<sub>2</sub>**e** 

#### **Tonnes of Cu Equivalent Production**

	2019	2020	2021
Copper equivalent production (tonnes)	31,233	29,068	26,000

#### Carbon emissions intensity<sup>1</sup>



#### AIR QUALITY AND POLLUTION

Mining and processing operations produce air pollution in the form of both gases and dust. CAML is committed to preventing pollution of all environmental receptors, thereby aiming to remove any negative impact on the environment and human health, both for our employees and local communities. The Company adheres to regulatory standards relating to air quality at both operations.

The air quality at Sasa is monitored with three measuring monitoring stations for 24-hour monitoring of particulate matter ('PM10') and meteorological parameters, and five aerial sediments settlers. Continuous effective actions are undertaken at Sasa to reduce the operations impact on air quality. One example is the installation of sprinklers at the TSFs to minimise dust.

At Kounrad, regular air quality monitoring is undertaken to assess the operations impact on air quality. This is undertaken on a quarterly basis by external contractors.

During 2021 there were no exceedances of regulatory limits with regards to air quality at either site.

Air quality exceedances



<sup>1</sup> The graph shows Group-level and site-specific carbon emission intensity, calculated as the emission rate of CO<sub>2</sub> equivalent tonnes relative to a tonne of copper equivalent production for Kounrad and Sasa.

# **WATER USAGE**

2021 water consumption

water abstraction at Sasa by 2026

Long-term target to reduce surface

882ML

### **OUR APPROACH**

Water is a valuable and shared resource, with access to fresh water being essential for human life and wellbeing, as well as one of the most important inputs in CAML's production processes. Stewarding water as a shared resource is prescribed within our operating permits. At our operations, water is used for processing, dust management and domestic water services.

The Company is committed to the responsible and efficient use of water, measuring this through constant monitoring and control and overseen by the Sustainability Committee. We employ water management strategies at our operations and aim to minimise freshwater or makeup usage wherever possible. Water discharged from our operations is monitored to prevent pollution of surface water and groundwater. Our operations undertake regular water quality monitoring which is compared to regulatory and baseline limits. The Company adopts regulatory standards for effluent discharge with both sites reporting effluent volumes and water quality information to their respective regulators.

Our operating contexts differ from a water perspective as Kounrad is in an area of low overall water risk, whereas Sasa is in a region of medium to high water stress. Due to the distinctions between each operation, as well as the operating environments, we have different water management strategies in place, covered below.

#### SASA

Sasa uses water from a combination of freshwater sources – the Crvena and Kozja rivers – as well as from contact and recycled water from the underground mining operation. Recycled water is used for the processing plant, as well as for dust suppression systems installed on TSF4. Our water management strategy is to increase the recycling of technical waters within the operation and to decrease the usage of surface waters.

The Company reviewed its water strategies at Sasa in 2021 as part of the process to update the Water Balance ('WB') and Water Management Plan ('WMP'). The WB and overall WMP assessed the opportunities available for Sasa to reduce its surface water abstraction, and implement a water hierarchy, where mine/process water would be prioritised instead of surface water. This project is being developed as part of the ongoing Cut and Fill Project and should result in a significant long-term reduction in surface water abstraction of 75% by 2026 (compared to 2020). At this point, the majority of the flotation plant's water needs will be met through recycling mine and process waters.

We work to ensure that discharges to the natural environment are in line with the appropriate environmental standards, with testing carried out on a weekly and monthly basis based on Integrated Pollution Prevention and Control ('IPPC') Permit requirements, internal management plans and initiatives. Analysis of the water samples are undertaken by accredited laboratories and monitoring results are submitted to the relevant authorities on a quarterly basis. If there are exceedances of the IPPC limits, this data in association with other information is considered in the calculation for the annual fee for IPPC licence ownership.

#### KOUNRAD

Kounrad is a closed-circuit operation, so there are no significant water losses to the environment, except for evaporation and solution held up within the matrix of the dumps. Our water management target at Kounrad is to minimise the volume of makeup water required during the process.

The makeup water/water consumption in 2021 was 812 ML, from Kounrad's two sources – 16% of this is from the nearby old mining shaft and 84% from Lake Balkhash.

A water abstraction impact assessment study was undertaken in 2021 to assess the operation's impact on Lake Balkhash. The study showed that Kounrad has a negligible impact, abstracting only 0.01% of the total water abstracted from the lake each year.

The volume of water required at Kounrad is dependent on many factors such as production targets, climatic conditions and the height of dumps under leach. Therefore, the most effective way of managing water is to ensure that the leaching process is designed to be as efficient as possible. Further detail on how this is achieved can be found on page 45 of the 2020 Sustainability Report.

Kounrad is an in-situ dump leach project and therefore carries the risk of potential pollution of groundwater through leaching. In order to mitigate this risk, extensive groundwater modelling and testing is routinely conducted to understand the interaction of leaching and groundwater. A comprehensive groundwater monitoring programme is in place which covers new leaching blocks at the Western Dumps as well as long-term monitoring of blocks at the Eastern Dumps.

As part of this, an extensive array of boreholes has been installed around the dumps. Should monitoring boreholes identify any seepage of concern, leaching of the block would stop and remedial actions implemented, including solution extraction directly from the boreholes.

#### 2021 PERFORMANCE

Group water consumption decreased by 25% to 882 ML in 2021 (2020: 1,178 ML). The decrease in consumption is a result of an increase in discharges at Sasa.

The increase in water discharge is the result of TSF4 operating for 12 months compared to 2020 where it was operating for nine months (TSF4 operations commenced in April 2020). The increased volume of discharge from TSF4 relative to TSF3.2 is due to it being a new fully lined tailings facility. As such, it has less retention capacity, there is a much smaller supernatant pond, therefore evaporation is less and, due to small dimensions of the new TSF, there is a greater necessity to remove supernatant waters.

During 2021, Sasa continued to reuse and recycle mine water, with 34% of Sasa's water being recycled from the mine.

Total recorded water withdrawal at Kounrad increased by 13% from 780 ML in 2020 to 881 ML in 2021, due to a shortage of solution after stopping Eastern Dump leaching over the winter period and launching new blocks at the Western Dumps. In the winter of 2021-2022, leaching will be undertaken from Eastern and Western Dump blocks so as to ensure this should not recur.

# WASTE MANAGEMENT

#### **OUR APPROACH**

The mining industry has the capacity to produce significant volumes of waste, posing a potential risk to operations, a threat to the environment and surrounding communities, and constituting a substantial cost.

Waste generated from our mining and processing operations includes both mineral (mainly in the form of tailings – ground rock and processing effluents, covered further below) and non-mineral waste. We are mindful of our duty to ensure responsible waste management and minimisation.

We believe that our activities in Kazakhstan have had a positive impact on the environment and are mitigating further historical contamination entering the environment as, prior to the Company's ownership, copper-rich solutions were naturally leaching into the environment. By capturing the copper leaching from waste dumps, we not only control this natural leaching but contribute significantly to the socioeconomic development of the region.

Both operations have waste management plans and the fundamental principles that we adhere to are as follows:

- Our responsibility for ensuring the protection of environmental components (air, groundwater, soil) from pollution by waste production and consumption
- → Emphasis on the reuse or recycling of waste where possible and ensuring environmentally acceptable waste disposal where it cannot be recycled
- → Reduction of negative impact on the environment by using new technologies and equipment to reduce waste generation
- The prioritisation of preventive measures to eliminate the environmentally negative impacts of waste on the environment
- → Our sites comply with national and international industry best practices regarding waste management and the site teams are continually investigating opportunities to reduce waste generation and increase recycling

Raising responsible waste management awareness amongst employees, contractors and suppliers is a key focus and training is regularly undertaken to facilitate appropriate on-site sorting and to better understand responsible waste management and the importance of recycling undertaken on both operations.

Data on waste generation and management is collected on a monthly basis using a combination of weighbridge information and known storage container volumes; the data is recorded by each operation on a monthly basis.

Regular internal inspections of the sites and containers for storage of various types of waste are conducted. All non-compliances are reported to the relevant personnel and closed out in a timely manner.

#### **NON-MINERAL WASTE**

The main input materials at our operations are electrical energy, coal (only at Kounrad), chemical reagents for laboratory and flotation, hydrocarbons, oil and lubricants for machinery and equipment, metal, tyres, paper, lime, explosives, and other consumer products. As a result, hazardous and non-hazardous waste streams are generated.

Both operations have developed procedures for the classification and storage of the various waste streams, as well as recycling and reuse.

Non-hazardous waste (mainly communal waste, used tyres, scrap metal, packaging waste, bottles, batteries and paper-based materials) is properly sorted and temporarily stored in designated waste containers or on an external waste

disposal site until it is removed by a licensed company for further treatment. The Group engages waste companies with recycling initiatives in place where possible. Recycling is in its infancy in Kazakhstan; we are therefore working hard to raise awareness at a local level. We are also introducing a system at the project to recycle materials ourselves. Kounrad directs a higher proportion of waste to licensed landfill than Sasa, but we hope that this can be reduced as recycling practices improve.

During 2021, Sasa undertook an initiative to remove excess waste from the scrap yard. 1,030 tonnes of waste were removed to authorised organisations for further treatment and recycling. These waste management activities will continue in 2022.

By far the most significant non-hazardous waste at Kounrad is ash from the burning of coal, accounting for 87% of all waste generated. The majority of this waste can be reused by the local community; in 2021, 75% of the total volume of ash (1,857 tonnes) was donated for use in the manufacture of bricks for construction, significantly minimising waste disposal on site.

Hazardous waste streams comprise the packaging of laboratory chemicals, waste from the flotation process, waste from hydrocarbons, lubricants, oily rags, PPE and batteries. Hazardous waste is stored in appropriate containers in designated storage areas until it is collected by licensed companies. At Sasa, hazardous waste is processed and cleaned by licensed companies where possible to allow the materials to be recycled. There are no initiatives to recycle hazardous waste at Kounrad.

#### 2021 Waste reused/recycled



Non-mineral waste disposed 46%
Non-mineral waste re-used/recycled 54%

## **WASTE MANAGEMENT** CONTINUED

#### TAILINGS MANAGEMENT

Tailings are not produced at Kounrad due to the nature of the leaching operation. However, mineral waste materials are generated by mining operations at Sasa, which must be effectively and responsibly managed. We are firmly committed to the environmental and socially responsible disposal of tailings at Sasa over the long term.

There are five downstream tailings storage facilities ('TSFs') at site, all owned and managed by Sasa and constructed in line with North Macedonian standards. The Company has a dedicated page on its website relating to tailings disclosure: www.centralasiametals.com/sustainability/tailings. Disclosure in accordance with the Church of England Pensions Board request can be found here.

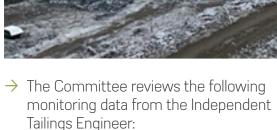
CAML has committed to reporting to the GISTM for all TSFs by January 2024. A working group has been formed, comprising members of the production, tailings, sustainability, community relations and corporate relations teams, overseen by the Group Sustainability Director, to ensure all workstreams are effectively covered.

External consultants, Knight Piésold and Wardell Armstrong, are being used to bolster the Sasa team where necessary.

In June 2021, Knight Piésold undertook an audit of all Sasa's TSFs to assess whether the design, construction and operation of the facilities meets international best practice standards and to provide recommendations to reduce risks associated with the TSFs going forwards. Knight Piésold identified some improvement areas, a small number of which were associated with GISTM requirements. Many of the recommendations were addressed in 2021, and the remainder will be implemented during 2022 and 2023.

The following processes form part of our management strategy for the tailings dams at Sasa:

- → A dedicated team from the Flotation Department is responsible for the day-to-day management and monitoring of the facility
- → The dam is monitored 24 hours per day by the team, which is led by a highly experienced engineer ('Responsible Tailings Facility Engineer')
- → An external independent specialist is responsible for monitoring, reviewing and reporting on Sasa's TSFs on a monthly basis
- → The independent specialist presents the report findings to Sasa's management and TSF Stability Committee, which is chaired by the General Director of Sasa



- Water levels in the piezometers in the dam wall
- TSF drainage flow rates and water quality
- Survey levels
- Grain size analysis from the cyclones
- Height of the dam wall relative to pond levels
- Dam slope angle relative to design
- → In addition, as part of the GISTM, CAML's CEO has been appointed the 'Accountable Executive'

Sasa has installed cameras in the vicinity of the TSFs, to allow 24 hour visual monitoring and, during 2021, developed an automated monitoring system, which will allow continuous monitoring of the TSFs. This system will be implemented in 2022 and will allow real time data to be viewed anywhere in the world. It will also allow us to tie the monitoring into the Trigger Action Response Plans (TARP) and will therefore provide greater visibility and potential for early warning of any issues that may arise in the TSF.

The Sasa team are part way through executing the Cut and Fill Project, which involves the change in mining method from the current sub-level caving to a cut and fill stoping method. This project incorporates two new tailings storage solutions that are more environmentally responsible for the long term. A paste backfill product, comprising in part of tailings, will be used to fill the mined voids underground, plus we will construct a landform to store and stack dry tailings. By 2026, we envisage 70% of our tailings stored in both of these forms. At Sasa we do not plan to construct any more tailings dams going forward.



# BIODIVERSITY, REHABILITATION AND CLOSURE PLANNING

#### **OUR APPROACH**

CAML is aware of the adverse effects that mining can have on biodiversity and has put in place specific programmes that are compliant with the legislation of the countries of operation and international standards such as ISO 14001 and IFC PS.

As discussed in 'Waste Management', Kounrad provides a good example of our ability to positively impact environmental parameters through our operations when it comes to rehabilitation. Owing to our work at site to date, we have mitigated some of the historical contamination that resulted from previous mining and processing activities.

Mineral rights

1,789ha

Classified as disturbed by operations

73%

Our biodiversity and closure programmes include:

- Mitigating the environmental impacts of our operations by implementing compensation measures, undertaking biodiversity monitoring, soil conservation, restoration and reforestation
- → Closure plans are in place for both operations and are regularly assessed and updated as required. During 2021, WSP UK (Formerly Golder Associates) was engaged to provide an estimate of closure costs as well as identifying a best practice and responsible approach to rehabilitation to ensure a sustainable legacy for the long term. As part of this process, site visits were conducted at both operations. By the end of 2021, the Sasa conceptual closure plan was reassessed, and estimated closure costs increased to \$16.1 million from \$7.2 million. This adjustment accounts for additional costs related to surface water management in line with the GISTM. The Kounrad ARO study will be completed during 2022
- → The production life cycle is based on minimising the impact on the environment, reclaiming waste areas, TSFs at Sasa, closing access roads etc. Interaction with stakeholders on closure planning will be carried out at the final stage of the project life cycle

- → Carrying out concurrent rehabilitation across our operations by restoring and, wherever possible, improving the environment by monitoring water bodies and flora and fauna, and by implementing ongoing improvement actions in line with local regulations
- → Both operations have ongoing programmes to monitor flora and fauna to preserve native species and demonstrate that the activities are not affecting the surrounding ecosystems
- → Soil monitoring is undertaken across the Group. Both operations monitor soil conditions at their respective sites, to ensure that any risk to the surrounding biodiversity can be properly managed and to demonstrate that activities are not impacting the natural environment

#### SASA

CAML has mineral rights over 553 hectares at Sasa (5.5km²), of which 12% is classified as disturbed. Since 2009, over 21,250 trees and shrubs have been planted on the closed TSFs and other areas within the concession field as well as along the river bed of river Kamenica, serving to remediate degraded areas, but also to significantly reduce soil movement, improve air quality, and encourage local biodiversity. 4,650 of these trees and shrubs were planted during 2021.

The entire catchment area upstream of the operation, as well as within the concession boundary was studied in 2018 and several species of special interest, including 'red list' species, were identified – all of which are located in the catchment above Sasa's concession boundary. There are no protected areas within Sasa's licence. The Osogovo protected area lies adjacent to the northwest licence boundary, with the area within our licence being classed as a zone for sustainable use (third level of protection). There are no high biodiversity value species within this zone, which predominantly comprises mesophilic beech forests.

Phase II of the river remediation at Sasa as a result of the tailings spillage in September 2020 was completed in 2021 and details are included in the case study on page 50.



SUSTAINABILITY REPORT 2021

# BIODIVERSITY, REHABILITATION AND CLOSURE PLANNING CONTINUED

#### **KOUNRAD**

CAML has mineral rights over 1,236 hectares at Kounrad (12.4km²) of which 100% is classified as disturbed, as a result of historical mining and processing activities.

In recent years, Kounrad has conducted various studies as part of its plan for overall closure, including an assessment of the volume of dust being generated from the dumps, the optimal way to remediate areas affected by leaching and therefore the most appropriate method for the reintroduction of biodiversity.

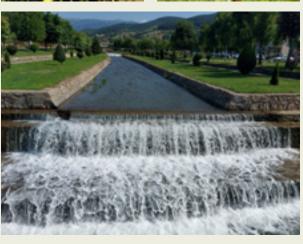
A Phase I biodiversity study was undertaken at Kounrad in 2021 to determine possible actions and initiatives to improve local biodiversity, which will be finalised in 2022. The study assessed the impact of the Kounrad operations on the local area, with a focus on biodiversity.

The research covered such topics as:

- → Compliance of activities with international standards and conventions adopted in the country
- → Determination of the areas of responsibility and stakeholders
- → Identification of risks
- → Impact on climate change
- → Contribution to air pollution
- → Impact on the biosphere (flora and fauna)
- → Contribution to water intake from Lake Balkhash
- → Identification of information gaps and recommendations







# **CASE STUDY**

# RIVER REMEDIATION PROJECT – PHASE 2

Following the September 2020 short-term leakage of tailings from Sasa's TSF4, a river remediation programme was undertaken to clean up the local river. Phase I, involving the physical removal of most of the tailings, was completed in 2020, with Phase II completed in H1 2021. This included:

- → Any remaining tailings material was removed from the area (60 m³) using natural filtration and sedimentation into temporary silt traps
- → National experts were engaged by Sasa to undertake biodiversity monitoring to assess the impacts of the incident on algae and macroinvertebrates and the effectiveness of the implemented remediation measures in Kamenica River
- Sasa reforested nine areas, which included planting 3,600 trees, 250 shrubs and sowing 320 kg of wildflower and grass seeds
- → Sasa will continue to monitor the biodiversity of the river and the water quality in 2022

Following the river remediation activities:

- → All recoverable tailings were removed from the river
- → The water quality of the Kamenica River has returned to its baseline quality (status before the incident)
- → The results of groundwater analysis show no significant concentrations at the sampling points
- → From a biodiversity perspective, the restoration activities performed along the Kamenica River have proven to be successful; the biological flora and fauna have started to recover
- There were no new grievances with regards to the tailings leakage or the associated clean-up activities in 2021

Link to values:







# UNLOCKING VALUE FOR OUR COMMUNITIES

OUR MATERIAL TOPICS





HEALTH & SAFETY









COMMUNITY

We concentrate on developing positive, constructive and professional relationships with host governments and communities close to our operations, investing resources to understand their needs and promoting close collaboration to respect human rights and implement social investment strategies.

We recognise our responsibility to create shared value for all our stakeholders. By hiring locally and providing fair wages and benefits, we wish to contribute not only to employees' wellbeing, but also to the economic strength of the communities in which we operate. By procuring from local supply chains, paying taxes and royalties, providing education and internship opportunities and local community investment, we aim to contribute to socioeconomic development.

#### **RELATED SDGS**





For more information visit www.undp.org/sustainable-development-goals

2021 HIGHLIGHTS AND REPORTING ON STATED INITIATIVES

- → Sasa Foundation charity operational
- → Sasa Training Centre reinvigorated
- → Development of riverside Youth Park in Makedonska Kamenica
- → Completed Local Economic Development Plan ('LEDP') and Local Environmental Action Plan ('LEAP') for local community near Sasa
- Continued successful community investment through the charitable foundations
- → Several site visits and meetings with key local and national stakeholders
- → \$157.5m economic value distributed

WE WERE PLEASED TO HAVE DEVELOPED THE YOUTH PARK ALONG THE BANKS OF THE RIVER, CLOSE TO THE SASA MINE, FOR THE LOCAL COMMUNITY TO ENJOY.



2021 total community support

\$0.5m

#### FOCUS FOR 2022

- Establish a social media presence in Kazakhstan targeted at local community engagement
- Undertake updated stakeholder engagement and materiality assessment work
- → Identify initiatives (to be agreed with local stakeholders) related to LEDP and LEAP studies undertaken in 2021 with regard to the areas close to the Sasa mine
- Review and redefine the Kounrad Foundation's strategy with regards to community development

#### LONG-TERM TARGETS

- → Zero severe or major communityrelated incidents
- → Increase level of community support to an annualised average of 0.5% of Group gross revenue (up from 0.25%)¹

#### **GROUP POLICIES AND SYSTEMS**

- → Sustainability Policy
- → Social Management Systems
- → Stakeholder Engagement Plans

1 Annual community investment may vary from year to year

# COMMUNITY ENGAGEMENT

#### **OUR APPROACH**

Effective, transparent and proactive community stakeholder engagement is essential to the smooth running of the operations and to our acceptance in the local area.

Building trust and respect with stakeholders throughout the full project lifecycle is an essential element to ensuring the long-term sustainability of our business and failing to do so could have severe impacts on our social licence to operate in and around Kounrad and Sasa.

Both operations have fully developed and integrated Social Management Systems ('SMS'), which are based predominately on IFC Performance Standards and take their lead from CAML's Sustainability Policy. All documents contained within the SMS are annually updated, reviewed internally, and signed off by CAML's Sustainability Director and the relevant General Director.

While the social needs of the communities close to our two operations are different, the teams aim for consistency of approach. The respective systems clearly set out the processes surrounding how we identify and consult with stakeholders. Our teams have identified appropriate mechanisms for regular communication and partnership with our regional and national stakeholders. We assess the effectiveness of the Company's approach in terms of community engagement and development primarily by feedback received from community stakeholders through all the available channels (covered below in 'How we engage').

Environmental and Social Impact Assessments ('ESIA') have been carried out at both operations in the early stages of Company ownership to ensure a proper understanding of the local issues. Additional ESIAs are developed as necessary for material changes to each respective operation – as an example, we are currently conducting an ESIA for the transition from sub-level caving to cut and fill mining at Sasa as explained further on page 36. Whilst the assessments (and therefore the level of stakeholder communication) differ from country to country, they both involved engagement with the local community and our actual and potential impacts continue to be monitored on an ongoing basis.

Stakeholder Engagement Plans ('SEP') have been developed for both operations. A stakeholder mapping process was conducted at Sasa and, whilst no formal process has been conducted at Kounrad, we have identified local community stakeholders through internal assessments.

We have formal external grievance mechanisms and encourage stakeholders such as local communities, non-government organisations and local authorities to raise any concerns that they have, including issues relating to the environment, compliance with legislation and safe working conditions. The Company takes community matters seriously and commits to addressing them swiftly and appropriately. All communication with our stakeholders is recorded, and feedback is given accordingly. There were no official grievances from our local communities recorded in 2021.

In addition to the formal grievance mechanisms, stakeholders can raise matters with CAML in a number of ways, including:

- Directly through the respective Social Affairs Coordinator via phone or email
- → Via the Community Drop-in Centre in Makedonska Kamenica for Sasa and directly to the head office in Balkhash for Kounrad
- Via links provided on the local operations websites
- → Via the local Mayor's office
- → In writing to the head office

#### **HOW WE ENGAGE**

We have developed positive, constructive and professional relationships with host governments and communities close to CAML's operations and have engendered successful two-way lines of communication as well as built public trust. All relevant Company information is available in local languages in both countries to ensure our stakeholders can understand all communications.

Engagement is predominately undertaken by our Social Affairs Coordinators (which report directly to the Sustainability Director and to the respective General Directors), together with senior site management.

Activities at each operation are reported on a regular basis to the Sustainability Committee, with two-way communication to ensure proper feedback to the sites. The General Directors at each operation are in frequent communication with the local Mayor's offices to ensure open lines of engagement within the community. In all instances of communication, the Company is careful to respect the values and culture of communities.

During 2021, due to COVID-19 restrictions, site visits and visits to the local communities were limited at both operations. Where possible, meetings with local stakeholders were held online, and when visits were undertaken, COVID-19 protocols were strictly adhered to.

Sasa had several site visits with key local and national stakeholders in 2021, including hosting the UK Ambassador of North Macedonia who visited the Sasa training centre, the Minister for Labour and Social Policy, and several local government officials, including the Mayor who visited as part of the celebrations to mark the 15-year anniversary since the reopening of the mine.

At Kounrad, several online meetings were held with local and national stakeholders, including a meeting with the Akim of the Karaganda region to discuss the COVID-19 pandemic, the Deputy Akim of the Karaganda region with regards to social development of the region and the Head of the Department of Ecology of the Karaganda region.



We continue to raise awareness as to how the Company operates, through the operations' respective websites, especially with regards to health, safety, environmental and social matters. We have a Facebook page in North Macedonia, which helps us to communicate with our local stakeholders. We plan to initiate a social media presence in Kazakhstan too.

In 2022, we will be conducting a comprehensive stakeholder engagement exercise across the Group to review our material topics.

See pages 42-43 of our 2021 Annual Report for full details of the Company's stakeholder engagement activities' i.e. delete 'how we engage'

# SOCIOECONOMIC CONTRIBUTION

#### **OUR APPROACH**

CAML aims to provide real benefits to local communities and host countries and is committed to providing philanthropic support, fostering sustainable development, facilitating socioeconomic progress (specifically in the field of community training and education) and helping the youth and most vulnerable members of the community in line with our human rights commitments.

Our responsibility to our communities has been further highlighted by the global pandemic, which has emphasised the need for businesses to contribute to societal needs. We have tried to maintain an agile approach to investment throughout the year and have redirected funds to meet the evolving requirements of the community.

Both operations have community development programmes in place. Site teams consult regularly with members of the community to ascertain their needs so that supportive projects can be identified and agreed upon in terms of donations, time and skills required. Sasa holds an annual meeting to consult with relevant stakeholders (including representatives from vulnerable groups) on social development programmes.

Both operations have Foundation charities, which are used as formal and structured vehicles for targeted social donations and commit at least 0.25% of their respective site's revenue for social development projects. Whilst the level of actual spend on social projects fluctuates from year to year, the amount committed within each foundation remains, enabling the charity to plan and budget for the longer term.

#### **COMMUNITY SUPPORT**

To date, Group social investment has mainly focused on education, supporting disabled children and adults, underprivileged children and those with learning difficulties, and encouraging healthy sporting activity for all. Both Foundations are now increasingly focused on initiatives to promote sustainable development for the long term.

\$0.3 million was spent through the Sasa Foundation in 2021. Investment largely focused on public health and promoting long-term, sustainable socioeconomic growth. COVID-19 community support continued in 2021 with the purchase of a bioluminescence cabinet for the Kocani Centre for Public Health.

During 2021, Sasa worked with PrimePoint and the local Mayor's office to undertake a LEDP and a LEAP for the local community. More detail on the PrimePoint reports can be found on page 55.

In addition, Sasa spent \$0.1 million on the Youth Park, along the banks of the river in Makedonska Kamenica. This project, which was designed by the community, was completed in 2021 and comprises trails and walkways along the river with trees, flower beds, as well as children's play areas.

The Kounrad Foundation spent \$0.1 million in 2021 on various initiatives largely focused on public health and education. The ambulance purchased in 2020 to support the residents of the Kounrad village was delivered in Q1 2021 and provides urgent transportation to medical facilities. It also allows the Kounrad medical team to provide outpatient care to patients and is particularly crucial given the COVID-19 pandemic. The Foundation provided financial support to the local government campaign to vaccinate residents over 65 years of age in the city of Balkhash. This was very successful and resulted in the vaccination of 600 pensioners.

Renovation works of the Central Sports Ground in Balkhash were completed by the Foundation, which included installing a new waterproof coating for the sports surfaces. In addition to this, the Foundation has continued to support schools in Balkhash and Kounrad village. Financial support is provided to eight schools in the area — three schools in Balkhash, two in Kounrad, and three boarding schools. The boarding schools typically support children from low-income families, enabling them to receive an education.

Every year, the Kounrad Foundation supports vulnerable and low-income families and donated over 200 gifts to celebrate the New Year in 2021, including 11 computer tablets that were given to orphans, enabling them to undertake remote schooling during COVID-19 closures.

Following on from the success of the Foundation's support for the Crisis Centre, the Kind Heart Centre and the Centre for the Blind in previous years, we were pleased to identify a similar long-term sustainable project in Balkhash in 2021. The proposed Rehabilitation Centre for Children with Disabilities will be developed in 2022. This will be a free service for eligible disabled children from the wider Karaganda region and will include a residential stay for periods of treatment and rehabilitation. The Kounrad Foundation will be providing a contribution towards the development of the project.

Social project spending

\$0.5m

Social project spending of net profit after tax

1%

#### **Continued Community Support**

As a Group we provide on-going support to our community initiatives to ensure their continued and long-term wellbeing and operation. The Crisis Centre, which offers support to victims of domestic violence and those going through hardship, in 2021 provided refuge and assistance to 56 adults and 30 children. Other projects such as the Kind Heart Centre and the Blind Centre continue to support the community being used on average in 2021 by 366 and 183 people, respectively. During 2022 we aim to establish a formal feedback procedure with regards to assessing the long term impact of our initiatives.

## **SOCIOECONOMIC CONTRIBUTION** CONTINUED

Given the highly specialised nature of ourwork, we are committed to providing the next generation in our local communities with the required skills needed to follow a vocation in our industry.

Sasa is at the heart of the local community, in a region of scarce skilled labour availability. Therefore, developing local skills and expertise is a positive way of contributing to social development in the host communities as well as providing talent for the Company.

The Sasa training centre reopened in May 2021 for the first time after the pandemic. providing training for 12 participants over a three month period. The training centre is important in our recruitment efforts as it generates promising trainees and provides a facility where potential candidates can undertake various aptitude tests. Eight of the 2021 trainees have subsequently been employed by the mine. As part of the course, we partnered with Epiroc, who brought a 'boomer simulator' to the centre. Those who were not subsequently employed by Sasa now have a qualification which should aid them in looking for other employment opportunities.

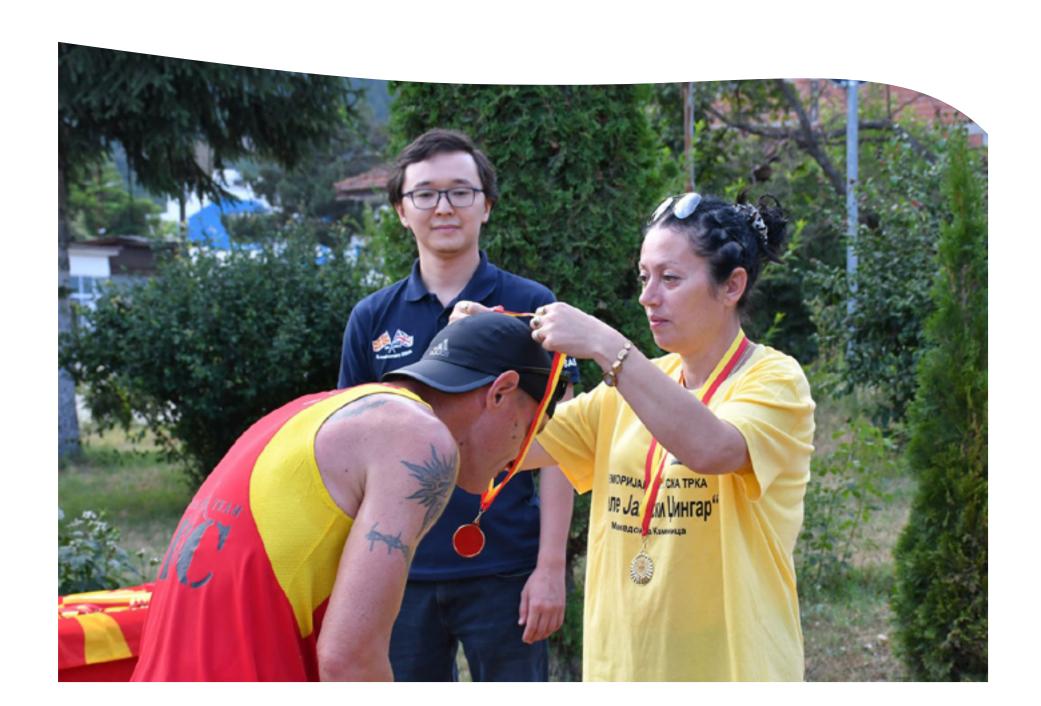
In addition to the training centre, Sasa provides scholarships to students from the local community who have chosen degree courses in the fields of mining, geology or environmental sciences.

Sasa has also provided four scholarships to students pursuing master's degrees at the faculty of Civil Engineering. The four students supported through international mining degrees have since been hired by Sasa.

Sasa has formed a public/private partnership with the Ministry of Education in North Macedonia to build a four-year, dual-education programme, covering both the theoretical and practical aspects of mechanics at the local vocational educational training school near Sasa. This programme will provide the next generation of employees at Sasa and ensure we have the necessary skills, with 23 students having enrolled to date. As part of this programme, we provide the students with practical training at Sasa through summer internships.

#### **COMMUNITY HEALTH**

CAML has community health and safety management plans for each operation, which identify the most significant risks that could influence worker health. One area of risk common to both operations is vehicle movements through communities. Measures have been taken to mitigate this, such as adding specific clauses to contracts to include safe driving. At Sasa, the concentrate trucks have been fitted with GPS devices to monitor and control speed. At Kounrad, all Company vehicles are fitted with GPS and some have video cameras.



### **CASE STUDY**

# SOCIOECONOMIC DEVELOPMENT IN NORTH MACEDONIA

Sasa played an integral part in assisting and funding the development of a Local Economic Development Plan ('LEDP') and Local Environmental Action Plan ('LEAP') for the Municipality of Makedonska Kamenica.

The purpose of this strategic development programme, which covers the period from 2021 to 2026, is to meet various municipal strategic goals and address some of the key environmental concerns of the community. Sasa has been worked alongside PrimePoint Partners¹ and the Mayor's office to further develop these essential documents for the community. It is expected that the plans will be signed off and approved by the Municipality in 2022.

The principal aims of the LEDP align with Sasa's internal goals in terms of local development, including sustaining small and medium businesses, improving infrastructure and utilities, supporting business opportunities and attracting investment. The end user and owner of the plans is the Municipality of Makedonska Kamenica who's aim is to further improve the economic future and living standards of all residents of the community. The intent is to use the LEDP strategic planning to strengthen the capacity of the local economy, improve the investment climate, productivity and competitiveness of local businesses. entrepreneurs and workers. The LEDP provides an opportunity for local communities, the private and non-profit sectors to work together to improve the local economy. The LEDP focuses on increasing competitiveness and sustainable development.

The LEAP has defined and prioritised environment-related problems in Makedonska Kamenica. Within the plan there are specific and measurable goals with appropriate actions to improve the quality of the environment in the community. Examples of goals within the plan include the establishment of a recycling centre, development and the adoption of an energy efficiency programme. This strategic document demonstrates the Municipality's commitment to finding mechanisms for sustainable integration of environmental protection in the local economic and social development of the community. The plans will provide direction on addressing the challenges associated with the protection and improvement of the environment and sustainable development in the Municipality.

Once plans are approved, PrimePoint is expected to facilitate workshops between key stakeholders to further develop the plans. Sasa will remain engaged with the Municipality throughout the process of implementation of actions derived from the plans and subsequent workshops.



Link to values:









 PrimePoint Partners specialises in the implementation of high-impact economic development programmes.

# **ECONOMIC VALUE DISTRIBUTED**

We have an economically robust business that underpins our ability to generate profits and dividends for our shareholders and ensures that our successes are also shared with other important stakeholders. We strongly believe that by creating shared value we are ensuring the long-term sustainability of our operations and acting as a good corporate citizen.

CAML is proud of the value that it brings to our host countries of operation. As a relatively small business in Kazakhstan, CAML has paid total taxes in-country of \$192.9 million since operating the Kounrad project. Sasa is a large and important business in North Macedonia, where CAML has paid taxes totalling \$59.6m since acquisition of the mine in 2017.

Neither CAML nor its subsidiary companies have ever made political donations in either country of operation and both operations have firm policies in place prohibiting political donations.

	STAKEHOLDER	2021 \$'m	2020 \$'m
Direct economic value generated: revenues			
Gross Revenue		235.2	170.3
Revenue from sale of assets	Wide range	0.0	0.3
Direct economic value generated	Wide range	235.2	170.7
Economic value distributed:			
Operating expenses	Suppliers & contractors	48.6	42.3
Wages and other payments to employees	Employees	30.5	26.7
Dividend payments to shareholders	Shareholders	38.8	13.9
Payment to creditors: Interest payments on loans	Lenders	2.4	4.8
Payments of tax <sup>1</sup>	Government	36.7	24.8
Community investments	Local communities	0.5	0.5
Economic value distributed		157.5	113.0
Economic value retained (generated – distributed)		77.7	57.7

<sup>1</sup> The tax disclosed is the total corporate income tax recognised in the income statement, MET, concession fees and property taxes. The figure excludes the payroll taxes and additional cash payments made on corporate income tax during the year.

Paid in taxes in Kazakhstan since 2012

\$192.9m

Paid in taxes in North Macedonia

\$59.6m

2021 Economic value

\$157.5m

# LOCAL PROCUREMENT

#### **OUR APPROACH**

Promoting local economic development is an important way of providing benefits to society and we aim to support local businesses where possible. This is reflected in our preferential procurement practices, which aim to assist in maintaining our social licence to operate, strengthen relationships with host governments and improve supply chain efficiency.

We believe that local procurement creates significant economic benefits, leading to more jobs and income and a transfer of skills and technology. Vital domestic business networks develop and therefore shared value is created.

Our approach to responsible supply chain management is provided on page 17 of this report.

#### PREFERENTIAL LOCAL PROCUREMENT

SASA

We have a policy to give priority to majority-owned North Macedonian businesses at Sasa, with a local procurement target of 50%, and to support companies within the vicinity of the mine wherever possible. Sasa ensures that it does not build new supply capacity at the local or regional level where there are already adequate suppliers. 57% of Sasa's goods and services were purchased from local suppliers in 2021.

#### KOUNRAD

In Kazakhstan, we have a local procurement goal of 30% and in 2021, 95% of goods and services were purchased in country, and 41% were purchased from suppliers local to the Karaganda region of Kazakhstan.

# **CASE STUDY**

# LOCAL SUPPORT IN DEVELOPING THE YOUTH PARK CLOSE TO SASA

The development of the Youth Park along the banks of the river in Makedonska Kamenica, close to Sasa, is the biggest investment in the local community that the mine has made in the past five years, and cost a total of \$140,000, of which approximately 70% was spent locally. The park was a gift from Sasa to the local community, and covers an area of approximately 4,000m<sup>2</sup>. It was developed in collaboration with the Makedonska Kamenica Municipality and, with such strong emphasis placed on the local community, local suppliers were used wherever possible.

During the initial stages of the project, the local municipality, in association with Sasa, ran a competition to obtain conceptual designs for the park. Seven young local people applied and, following a public vote via social media, the design of two young architects from Makedonska Kamenica was chosen. This design was then further developed and finalised.

As part of the tendering process for the Project, the Sasa procurement team identified three contractors to deliver the project which fulfilled the criteria of being local companies, with previous relevant experience and a good track record of delivery. In addition, materials for the park were largely procured by local suppliers, for example:

- → Wood sourced from Berovo
- → Sand sourced from Makedonska Kamenica
- → Cement sourced from Kocani
- → Concrete blocks sourced from Skopje
- → Rubber sourced from Bitola
- → Steel sourced from Stip
- → Cables sourced from Negotino

Link to values:











# + APPENDIX

#### MAINTAINING HEALTH AND SAFETY

### Group safety performance

	Unit	2021	2020	2019
Sasa				
Lost time injuries	LTI	4	0	1
Medical treatment injuries	MTI	0	1	1
Recordable injuries	RI	4	1	1
Cumulative hours worked		1,563,221	1,505,592	1,508,100
Lost time injury frequency rate	LTIFR <sup>1</sup>	2.56	0.00	0.66
Total recordable injury frequency rate	TRIFR <sup>1</sup>	2.56	0.66	1.33
Kounrad				
Lost time injuries	LTI	0	0	0
Medical treatment injuries	MTI	0	0	0
Recordable injuries	RI	0	0	0
Cumulative hours worked		809,286	803,287	844,913
Lost time injury frequency rate	LTIFR <sup>1</sup>	0	0.00	0.00
Total recordable injury frequency rate	TRIFR <sup>1</sup>	0	0.00	0.00
Group				
Lost time injuries	LTI	4	0	1
Medical treatment injuries	MTI	0	1	1
Recordable injuries	RI	4	1	2
Cumulative hours worked		2,372,507	2,308,879	2,353,013
Lost time injury frequency rate	LTIFR <sup>1</sup>	1.69	0.00	0.42
Total recordable injury frequency rate	TRIFR <sup>1</sup>	1.69	0.43	0.85

#### FOCUSING ON OUR PEOPLE

### Employee statistics

	2021	2020	2019
Total employees and contractors	1,255	1,040	1,039
Total contractors	203	205	191
Total employees	1,052	873	826
By gender			
Men	917	909	914
Women	135	131	125
Total permanent employees	866	873	826
By gender			
Men	741		
Women	125		
By region			
North Macedonia (Sasa)	526	526	698
Kazakhstan (Kounrad)	323	330	323
United Kingdom (Corporate)	17	17	18
Total temporary employees	186	167	213
By gender			
Men	176		
Women	10		
By region			
North Macedonia (Sasa)	186	167	213
Kazakhstan (Kounrad)	0	0	0
United Kingdom (Corporate)	0	0	0
Total full-time employees	1,047	1,035	1,034
By gender			
Men	916	908	913
Women	131	127	121
Total part-time employees	5	5	5
By gender			
Men	1	1	1
Women	4	4	4

Rates based on 1,000,000 hours worked. See glossary for details.
 All safety data includes employees and contractors at CAML operations.

### FOCUSING ON OUR PEOPLE CONTINUED

	2021	2020	2019
Total workforce	1,052	1,040	1,039
Diversity in total workforce			
By gender			
Men	87%	87%	88%
Women	13%	13%	12%
By age			
Under 30	14%	15%	14%
30–50	62%	62%	62%
Over 50	24%	22%	24%
Board members	9	9	9
Diversity on Board	3	3	
By gender			
Men	89%	89%	89%
Women	11%	11%	11%
By age			
Under 30	0%	0%	0%
30–50	22%	22%	22%
Over 50	78%	78%	78%
Senior management <sup>1</sup>	17	17	
Diversity in senior management	<del>-</del>		
By gender			
Men	76%	76%	_
Women	24%	24%	_
By age			
Under 30	0%	0%	_
30–50	53%	53%	_
Over 50	47%	47%	_

	2021	2020
Management <sup>1</sup>	30	32
Diversity in management		
By gender		
Men	60%	66%
Women	40%	34%
By age		
Under 30	3%	0%
30–50	76%	69%
Over 50	21%	31%
Technical Staff	235	_
Diversity in technical staff/ employees		
By gender		
Men	62%	_
Women	38%	_
By age		
Under 30	9%	_
30–50	69%	_
Over 50	22%	_
Other workers	770	_
Diversity in other workers		
By gender		
Men	96%	_
Women	4%	_
By age		
Under 30	17%	_
30–50	60%	_
Over 50	23%	_

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<sup>1</sup> CAML has reclassified its senior management and management categories and has restated the 2020 data accordingly

# New employee hires

	2021	2020
New employee hires	102	91
By gender		
Men	90	80
Women	12	11
By age		
Under 30	44	46
30–50	55	42
Over 50	3	3
By region		
North Macedonia (Sasa)	75	41
Kazakhstan (Kounrad)	24	49
United Kingdom (Corporate)	3	1
Employee turnover	8%	8%
By gender		
Men	7%	8%
Women	1%	0.4%
By age		
Under 30	0%	2%
30–50	5%	2%
Over 50	3%	3%
By region <sup>1</sup>		
North Macedonia (Sasa)	8%	7%
Kazakhstan (Kounrad)	9%	11%
United Kingdom (Corporate)	12%	0%

<sup>1</sup> The 2020 data shows the leavers in each region as a % of each sites workforce. The 2021 data shows the leavers in each region as a % of the total workforce.

# Employee training

	2021
Average hours of training per employee	36
By gender	
Men	35
Women	40
By category	
Senior management	67
Management	138
Technical staff/ employees	28
Other workers	32

### **ENVIRONMENT**

# Energy consumption

	Unit	2021	2020	2019
Group				
Fuel consumption from non–renewable sources <sup>1</sup>	GJ	328,537	334,467	392,467
Coal	GJ	276,921	285,160	337,935
Diesel/petroleum	GJ	51,615	49,365	54,532
Electricity consumption	GJ	365,904	361,095	343,960
Total energy consumption	GJ	694,441	695,620	736,427
Tonnes of Cu equivalent production	t Cu Eq	26,000	29,082	31,233
Energy intensity	GJ/t Cu Eq	26.71	23.92	23.58
Sasa				
Fuel consumption from non–renewable sources	GJ	36,927	36,071	37,758
Coal	GJ	_	_	_
Diesel/petroleum	GJ	36,927	36,071	37,758
Electricity consumption	GJ	155,969	157,853	154,343
Total energy consumption	GJ	192,897	193,924	192,101
Tonnes of Cu equivalent production	t Cu Eq	11,959	15,924	17,462
Energy intensity	GJ/t Cu Eq	16.13	12.74	11.00
Kounrad				
Fuel consumption from non–renewable sources:	GJ	291,609	298,454	354,709
Coal	GJ	276,921	285,160	337,935
Diesel/petroleum	GJ	14,668	13,294	16,774
Electricity consumption	GJ	209,935	203,242	189,617
Total energy consumption	GJ	501,544	203,242	189,617
Tonnes of Cu equivalent production	t Cu Eq	14,041	13,855	13,771
Energy intensity	GJ/t Cu Eq	35.72	36.00	39.53

### Emissions<sup>1</sup>

	Unit	2021	2020	2019
Group				
Scope 1 emissions	tCO <sub>2</sub> e	24,876	23,396	30,851
Scope 2 emissions	tCO <sub>2</sub> e	56,822	74,672	71,464
Total emissions	tCO <sub>2</sub> e	81,698	98,068	102,315
Tonnes Cu equivalent production	t	26,000	29,068	31,233
GHG intensity	tCO <sub>2</sub> e/t Cu Eq	3.14	3.37	3.28
Sasa				
Scope 1 emissions	tCO <sub>2</sub> e	2,968	2,561	3,034
Scope 2 emissions	tCO <sub>2</sub> e	21,133	40,121	39,229
Total emissions	tCO <sub>2</sub> e	24,101	42,682	42,263
Tonnes Cu equivalent production	t	11,959	15,213	17,462
GHG intensity	tCO <sub>2</sub> e/t Cu Eq	2.02	2.81	2.42
Kounrad				
Scope 1 emissions	tCO <sub>2</sub> e	21,908	20,835	27,817
Scope 2 emissions	tCO <sub>2</sub> e	35,689	34,551	32,235
Total emissions	tCO <sub>2</sub> e	57,597	55,386	60,052
Tonnes Cu equivalent production	t	14,041	13,855	13,771
GHG intensity	tCO <sub>2</sub> e/t Cu Eq	4.10	4.00	4.36

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 $<sup>1 \</sup>quad \text{Gases included in the calculation: CO}_2, \text{CH}_{4^{1}}, \text{N}_2\text{O}, \text{HFCs, PFCs, SF6, NF}_3.$ 

## **ENVIRONMENT** CONTINUED

## Water consumption

	All areas			Areas with water stress			
Water withdrawal by source	Unit	2021	2020	2019	2021	2020	2019
Surface water	ML	2,671	2,552	2,845	2,000	1,972	2,434
Freshwater <sup>1</sup>	ML	2,671	2,552	2,845	2,000	1,972	2,434
Groundwater	ML	1,785	1,770	1,306	1,656	1,647	1,183
Freshwater <sup>1</sup>	ML	1,785	1,770	1,306	1,656	1,647	1,183
Third-party water	ML	82	77	80	0	0	0
Freshwater <sup>1</sup>	ML	82	77	80	0	0	0
Total water withdrawal	ML	4,538	4,399	4,231	3,656	3,619	3,617
Water discharge by destination							
Surface water	ML	3,587	3,154	2,302	3,587	3,154	2,302
Third-party water	ML	69	67	6	0	0	0
Third-party water sent for use to other organisations	ML	69	67	6	0	0	0
Total water discharge	ML	3,656	3,221	2,308	3,587	3,154	2,302
Freshwater¹ discharge	ML	3,656	3,221	2,308	3,587	3,154	2,302
Water discharge by level of treatment							
Water discharge with no treatment	ML	3,649	3,214	2,301	3,580	3,147	2,295
Water discharged after secondary treatment <sup>4</sup>	ML	7	7	7	7	7	7
Water consumption	ML	882	1,178	1,923	69	465	1,315
Tonnes of Cu equivalent production	t Cu Eq	26,000	29,082	31,233	11,959	15,227	17,462
Water consumption per tonne of copper equivalent production	ML/t Cu Eq	0.0339	0.0405	0.0616	0.0058	0.0305	0.0753

### Waste management

	Unit	2021	2020	2019
Group				
total non–mineral waste generated	t	3,466	3,190	4,148
Non-hazardous waste	t	3,413	3,135	4,074
Hazardous waste	t	54	54	73
total waste to landfill	t	1,050	937	849
total waste treated/disposed off site	t	1,091	481	491
Non–hazardous waste	t	1,037	427	417
Hazardous waste	t	54	54	73
total non-hazardous waste given to the community	t	1,857	1,754	2,795
total waste recycled on site	t	18	18	13
total mineral waste generated (tailings)	t	748,432	733,343	733,021
Sasa				
total non–mineral waste generated	t	623	599	635
Non–hazardous waste	t	577	550	566
Hazardous waste	t	46	49	69
total waste to landfill	t	97	128	155
total waste treated/disposed off site	t	1,076	471	480
Non-hazardous waste	t	1,030	422	411
Hazardous waste	t	46	49	69
total mineral waste generated (tailings)	t	748,432	733,343	733,021
Kounrad				
total non-mineral waste generated	t	2,844	2,591	3,513
Non–hazardous waste	t	2,836	2,585	3,508
Hazardous waste	t	7	5	4
total waste to landfill	t	954	809	694
total waste treated/disposed off site	t	15	10	11
Non-hazardous waste	t	8	5	6
Hazardous waste	t	7	5	4
total non-hazardous waste given to the community	t	1,857	1,754	2,795
total waste recycled on site	t	18	18	13

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 <sup>&</sup>lt;1,000 mg/L Total Dissolved Solids.</li>
 Consumption is calculated as the volume of fresh water abstracted minus the discharged water.
 2020 and 2019 data has been recalculated and restated to reflect all water used within Sasa's concession.
 Aeration and biochemical treatment.

### UNLOCKING VALUE FOR OUR COMMUNITIES

## Socioeconomic contribution

	Stakeholder		2021				2020				2019		
		N. Macedonia \$'m	Kazakhstan \$'m	Other \$'m	Total \$'m	N. Macedonia \$'m	Kazakhstan \$'m	Other \$'m	Total \$'m	N. Macedonia \$'m	Kazakhstan \$'m	Other \$'m	Total \$'m
Direct economic value generated: revenues													
Gross Revenue from copper sales		_	132.0	_	132.0	_	87.7	_	87.7	_	81.7	_	81.7
Gross Revenue from zinc sales		44.7	_	_	44.7	30.9	_	_	30.9	40.1	_	_	40.1
Gross Revenue from lead sales	Wide range of stakeholders	56.4	_	_	56.4	49.7	_	_	49.7	57.0	_	_	57.0
Gross Revenue from silver sales		1.9	_	_	1.9	2.0	_	_	2.0	1.9	_	_	1.9
Gross Revenue from other sales		0.2	_	_	0.2	0.0	_	_	0.0	0.1	_	_	0.1
Gross Revenue		103.2	132.0	_	235.2	82.6	87.7	_	170.3	99.1	81.7	_	180.8
Revenue from sale of assets		_	_	_	_	0.3	0.1	_	0.4	_	0.2	_	0.2
Direct economic value generated		103.2	132.0	-	235.2	82.9	87.8	_	170.7	99.1	81.9	_	181.0
Economic value distributed:													
Operating expenses	Suppliers and contractors	31.4	12.3	4.9	48.6	27.3	10.9	4.0	42.2	28.2	10.9	4.2	43.3
Wages and other payments to employees	Employees	14.5	5.7	10.3	30.5	13.5	5.1	8.1	26.7	11.9	4.2	8.1	24.2
Dividend payments to shareholders	Shareholders	_	_	38.8	38.8	_	_	13.9	13.9	_	_	32.2	32.2
Payment to creditors: Interest payments on loans	Lenders	0.2	_	2.2	2.4	0.2	_	4.6	4.8	0.0	_	9.4	9.4
Payments of tax <sup>1</sup>	Government	8.2	28.5	_	36.7	6.0	18.9	_	24.8	8.0	16.9	_	24.9
Community investments	Local communities	0.3	0.2	_	0.5	0.3	0.2	_	0.5	0.3	0.3	_	0.6
Economic value distributed		54.6	46.7	56.2	157.5	47.3	35.1	30.6	113.0	48.4	32.3	53.9	134.6
Economic value retained (generated – distributed)	_	48.6	85.3	(56.2)	77.7	35.6	52.7	(30.6)	57.7	50.7	49.6	(53.9)	46.4

<sup>1</sup> The tax disclosed is the total corporate income tax recognised in the income statement, MET, concession fees and property taxes. The figure excludes the payroll taxes and additional cash payments made on corporate income tax during the year.

CENTRAL ASIA METALS PLC SUSTAINABILITY REPORT 2021

# GLOSSARY

AIM	Alternative Investment Market
Board	CAML Board of Directors
CAML	Central Asia Metals Plc (the 'Company')
Corinair	Corinair is a programme to establish an inventory of emissions of air pollutants in Europe
EMS	Environmental management systems
EIA	Environmental impact assessment
ESG	Environmental, social and governance
ESIA	Environmental and Social Impact Assessments
FTSE4Good	A series of benchmark and tradable indexes for ESG investors
GHG	Greenhouse gas
GISTM	Global Industry Standard on Tailings Management
GO	Guarantee of Origin; provides proof of the environmental attributes of the generation of one MWh of electricity produced by a renewable source
GRI	Global Reporting Initiative
HPI	High Potential Incident
HSE	Health, safety and environmental
IFC	International Finance Corporation
ILO	International Labor Organization – ILO standards is a comprehensive system of instruments on work and social policy, backed by a supervisory system

IPPC	Integrated Pollution Prevention and Control Permit
ISO	International Organization for Standardization
ISO 14001	International standard for environmental management
ISO 150001	International standard for energy management systems
ISO 45001	International standard for heath and safety
LEAP	Local Environmental Action Plan
LED	Light-emitting diode
LEDP	Local Economic Development Plan
LTI	Lost-time injury
LTIFR	Lost–time injury frequency rate (calculated as the number of work lost–time injuries, divided by the number of hours worked, multiplied by 1,000,000)
MESO	Multi–Ethnicity Union for Education
MoEPP	Ministry of Environment and Physical Planning, North Macedonia
MTI	Medical treatment injury
MWh	Megawatt hours
PM10	Particulate matter less than 10mm
PVP	Photovoltaic
QCA Code	Quoted Companies Alliance Code – the corporate governance code adopted by the majority of companies on the AIM market in the UK

RI	Recordable injury
Scope 1	Scope 1 emissions are direct emissions from owned or controlled sources
Scope 2	Scope 2 emissions are indirect emissions from the generation of purchased energy
SEMP	Social and environmental management plans
SEP	Stakeholder engagement plans
SIER	Trade Union of Industry, Energy and Mining of Macedonia
SOP	Safe operating procedure
SX-EW	Solvent extraction electro-winning
TCFD	Task Force on Climate—related Financial Disclosures
TRI	Total recordable injury
TRIFR	Total recordable injury frequency rate (calculated as the number of recordable injuries, divided by the number of hours worked, multiplied by 1,000,000)
TSF	Tailings storage facility
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN SDGs	United Nations Sustainability Development Goals
lWiM	International Women in Mining

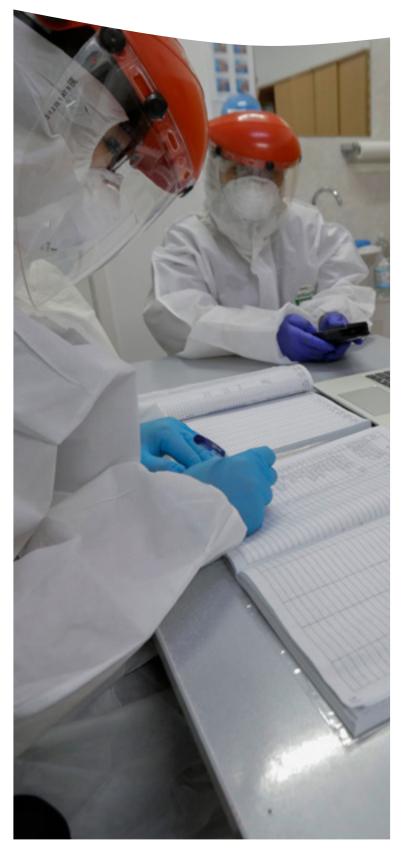


# GRI INDEX

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GENERAL DISCLOSURES		
ORGANISATIONAL PROFILE		
102–1 Name of the organisation	Cover	
102–2 Activities, brands, products, and services	4	
102–3 Location of headquarters	2	
102–4 Location of operations	2, 4	
102–5 Ownership and legal form		Central Asia Metals plc ('CAML') is a public company registered in England and Wales and listed on the AIM market of the London Stock Exchange with its head office in London. It has approximately 500 shareholders at any given time, none of whom possess a controlling interest. Under CAML there is a Holland based holding structure (CMK Mining BV) which is indirectly held by CAML though CAML MK Limited. The CAML MK sub-Group holds 100% of Rudnik Sasa DOOEL, which is the concessionaire to the Sasa Mine. Sary Kazna LLP, a Kazakh company which is responsible for leaching operations, is wholly owned by CAML and is the registered subsoil user with exploitation rights for the Kounrad Project. CAML has a 75% share in Copper Bay Limited, a further structure which is currently held for sale.
102–6 Markets served	4, pages 12-15 of 2021 Annual Report	
102–7 Scale of the organisation	4	
102–8 Information on employees and other workers	29-30, 58-60	
102–9 Supply chain	17	
102-10 Significant changes to the organisation and its supply chain		No significant changes were made.
102–11 Precautionary Principle or approach		While CAML believes in many cases it takes the Precautionary Approach, this is not a formally documented principle.
102–12 External initiatives	10, 15	
102–13 Membership of associations		CAML is involved with local and national organisations which engage in meaningful strategic discussions and which promote change through collaboration and open discourse. Sasa is a member of the Management Committee and Assembly of the North Macedonian Chamber of Commerce. It is also affiliated with the American Chamber of Commerce as well as the Bulgarian – North Macedonian Chamber of Commerce.
STRATEGY		
102–14 Statement from senior decision–maker	5-6	
ETHICS AND INTEGRITY		
102–16 Values, principles, standards, and norms of behaviour	7	
GOVERNANCE		
102–18 Governance structure	11, pages 84-87 of 2021 Annual Report	



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102–40 List of stakeholder groups	Pages 42-43 of 2021 Annual Report	
102–41 Collective bargaining agreements	30	
102-42 Identifying and selecting stakeholders	Pages 42-43 of 2021 Annual Report	
102–43 Approach to stakeholder engagement	Pages 42-43 of 2021 Annual Report	
102–44 Key topics and concerns raised	Pages 42-43 of 2021 Annual Report	
REPORTING PRACTICE		
102–45 Entities included in the consolidated financial statements	Page 125 of 2021 Annual Report	
102–46 Defining report content and topic boundaries	2, 8	
102–47 List of material topics	8	
102–48 Restatements of information		As part of its commitment to improving sustainability reporting practices, CAML continues to review and improve our data collection procedures which sometimes results in restatements. Following the standardisation of job roles across the Group, numbers of senior managers and managers have been restated.
		The 2020 and 2019 water data has been restated to include all water within our Sites concessions.
102–49 Changes in reporting		None
102–50 Reporting period	2	
102–51 Date of most recent report	2	
102–52 Reporting cycle	2	
102–53 Contact point for questions regarding the report	2	
102–54 Claims of reporting in accordance with the GRI Standards	2	
102–55 GRI content index	65-69	
102–56 External assurance		No external assurance was performed.
MATERIAL TOPIC DISCLOSURES		
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103–2 Management approach and components	51-57, page 13 of 2021 Annual Report	
103–3 Evaluation of the management approach	51-57	
201–1 Direct economic value generated and distributed	56	
GRI 202: MARKET PRESENCE		
103–1 Explanation and reporting boundary	8	
103–2 Management approach and components	27-30	
103–3 Evaluation of the management approach	27-30	
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103–3 Evaluation of the management approach	44	
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302–3 Energy intensity	44, 61	
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103–3 Evaluation of the management approach	46	
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303–2 Management of water discharge–related impacts	46	
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103–3 Evaluation of the management approach	28-34	
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