

centerra GOLD



2020

Environmental, Social and Governance Report



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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information contained in this report, which are not statements of historical facts, and the documents incorporated by reference herein, may be “forward-looking information” for the purposes of Canadian securities laws. Such forward-looking information involves risks, uncertainties, assumptions and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. For a detailed discussion of such risks and other factors, see the Company’s most recent Management’s Discussion and Analysis (MD&A) and Annual Information Form, both of which are available on SEDAR at www.sedar.com.

Although Centerra believes that the assumptions inherent in these forward-looking statements are reasonable, the reader should not place undue reliance on these statements. Centerra disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

SUBSEQUENT EVENT NOTE

This 2020 ESG Report is prepared in respect of the 2020 financial year. Readers are cautioned that, in May 2021, the Government of the Kyrgyz Republic illegally seized control of the Kumtor Mine and therefore Centerra is no longer in control of the Kumtor Mine or the ESG policies, procedures and initiatives relating to the Kumtor Mine which are described in this report. Reference is made to the Company’s public disclosure available on SEDAR at www.sedar.com.



ABOUT CENTERRA GOLD

Centerra Gold Inc. (“Centerra” or the “Company”) is a Canadian-based gold mining company focused on operating, developing, exploring and acquiring gold properties worldwide. Centerra operates two mines, the Mount Milligan Mine in British Columbia, Canada, and the Öksüt Mine in Turkey. The Company also owns the Kumtor Mine in the Kyrgyz Republic, which is currently not under the Company’s control. The Öksüt Mine achieved commercial production as of May 31, 2020. In 2020, Centerra produced 824,059 ounces of gold and 82.8 million pounds of copper.

The Company has one property in Canada in the pre-development stage, the Kemess Underground Gold Property. The Company sold its interest in the Greenstone Gold Mines Partnership, which included its interest in the Hardrock deposit, effective January 19, 2021, and as a result, treated it as available for sale as at December 31, 2020. The Company owns exploration properties in Canada, the United States of America and Turkey and has options to acquire exploration joint venture properties in Canada, Finland, Turkey and the United States of America. The Company owns various assets within its Molybdenum Business Unit, particularly the Langeloth Metallurgical Facility in Pennsylvania, USA,

and two primary molybdenum mines currently on care and maintenance, Thompson Creek Mine in Idaho, USA, and the Endako Mine (75% ownership) in British Columbia, Canada.

At Centerra, we are focused on quality assets defined by low cost, long life and sustainable robust margins and returns. We recognize that robust environmental and social performance is not only the right thing to do but that it is key to achieving this strategy.

Being a *responsible miner* is one of our key values. For Centerra, this means putting our people first, creating and sharing economic value in the countries and communities where we operate, and protecting our surrounding natural environment.



OPERATIONS AND ASSETS



- OPERATIONS
- DEVELOPMENT
- MOLYBDENUM ASSETS

CANADA

- | | |
|---|---|
| <p>OPERATION</p> <p>③ MOUNT MILLIGAN MINE
Au, Cu</p> | <p>DEVELOPMENT</p> <p>④ KEMESS: Underground and East Projects
Au, Cu</p> |
| <p>DEVELOPMENT</p> <p>⑤ GREENSTONE PROJECT¹
50% Au</p> | <p>MOLYBDENUM ASSET</p> <p>① ENDAKO MINE: Care and Maintenance
75% Mo</p> |

UNITED STATES

- | | |
|---|--|
| <p>MOLYBDENUM ASSET</p> <p>② THOMPSON CREEK MINE: Care and Maintenance
Mo</p> | <p>MOLYBDENUM ASSET</p> <p>⑥ LANGELOTH METALLURGICAL FACILITY
Mo</p> |
|---|--|

TURKEY

- | |
|---|
| <p>OPERATION</p> <p>⑦ ÖKSÜT MINE
Au</p> |
|---|

KYRGYZ REPUBLIC

- | |
|--|
| <p>OPERATION</p> <p>⑧ KUMTOR MINE²
Au</p> |
|--|

¹ On January 19, 2021, Centerra completed the previously announced sale of Centerra's 50% interest in the Greenstone Gold Mines Partnership.
² Refer to the subsequent event note on [page 2](#) for further information.

SCOPE OF THIS REPORT

Centerra's 2020 Environmental, Social and Governance (ESG) Report is for the 2020 financial year (12 months ending December 31, 2020). This report is primarily focused on the Company's three main operating assets in 2020. These assets, the Mount Milligan Mine in British Columbia, Canada, the Kumtor Mine in the Kyrgyz Republic, and the Öksüt Mine in Central Anatolia, Turkey, represent the most significant ESG risks and opportunities for the Company¹. In the sections related to labour relations, health and safety, and waste management, namely tailings management, Centerra has expanded the scope of its reporting to include its development stage and molybdenum business unit in this discussion.

In future reporting, Centerra will assess the feasibility of including enhanced environmental and social disclosure on its development stage projects and molybdenum business unit.

Financial amounts are reported in US dollars (USD) unless otherwise stated. References herein to "Centerra" or the "Company" refer to the consolidated Company unless the context suggests otherwise.

This report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB) Metals & Mining Industry Standard. SASB has been selected as the main reporting framework as it is the preferred framework by Centerra's institutional investors who are seeking comparable, consistent and financially material ESG disclosures by the industry. Adopting the SASB reporting framework will allow us to undertake improved year-over-year performance analysis and industry benchmarking in future reporting years. For the financial year ending December 31, 2020, Centerra's Scope 1 and Scope 2 emissions have been prepared in accordance with the GHG Protocol – Corporate Standard and

verified under ISO 14064-3 by an accredited third-party verification firm.

To normalize our operating results against our peers in the mining and metals space, SASB has recommended two activity metrics for the mining industry: operational results and total employees. Obtaining information related to contractor detail has been challenging. We intend to work toward providing this data in future reporting years to align with SASB expectations. Table 1 and Table 2 capture this information for 2020.

Further information and analysis on the Company's operational results are detailed in Centerra's [2020 Annual Information Form](#).

Table 1. Operational Results

	2020	2019	2018
Gold Produced (oz)	824,059	783,308	729,556
Payable Copper Produced (000s lb)	82,816	71,146	47,091

Table 2. 2020 Total Employees by Employment Type and Region (as of December 31)

# of Employees	Permanent						Temporary			Total
	Female	Female %	Male	Male %	Total	Female	Female %	Male	Male %	
Canada	113	17.5%	532	82.5%	645	11	55.0%	9	45.0%	20 665
Turkey	31	13.9%	192	86.1%	223	2	12.5%	14	87.5%	16 239
Kyrgyz Republic	276	12.6%	1,919	87.4%	2,195	32	5.4%	563	94.6%	595 2,790
USA	19	11.4%	148	88.6%	167	0	0.0%	0	0.0%	0 167
Total	439	13.6%	2,791	86.4%	3,230	44	7.0%	586	93.0%	630 3,861

¹ Refer to the subsequent event note on [page 2](#) for further information.

OUR ESG TOPICS AND APPROACH TO ESG DISCLOSURE

To identify the ESG factors that could significantly impact Centerra's future financial and operational results and were most important to our stakeholders, Centerra commenced an ESG Issues Assessment in 2019, which was completed in the second quarter of 2020. The last full assessment was completed in 2016.

Due to the nature of the mining industry, Centerra will target the completion of full assessments every three years with limited annual reviews completed to ensure any new and emerging topics are considered. Annual reviews will include media monitoring, internal risk assessments and any external feedback received, but will not undertake a full stakeholder engagement exercise.

The ESG Issues Assessment was a six-step process that included a comprehensive desktop review and a stakeholder engagement process to help identify, prioritize and validate Centerra's important topics. The comprehensive desktop review considered inputs from community registers, employee and stakeholder surveys, workshop feedback, external audits/inspections, and industry reports and standards. The internal and external stakeholders and groups engaged consisted of employees, communities of interest (CoI), Indigenous groups, regulators, financiers, shareholders/investors, civil society, business partners, rating analysts and non-governmental organizations (NGOs).

In addition, during the assessment, Centerra undertook a full-day ESG Leadership Session which included the Company's executives and senior management, to facilitate the integration of corporate and operational strategies into our ESG Issues Assessment and to help validate the desktop and stakeholder engagement findings.

From the desktop and engagement phases, 18 initial important topics were identified, with the following ESG topics identified as the most important to our business and stakeholders (in no particular order): community and Indigenous peoples relations, community investment, water management, emissions and energy, biodiversity, waste management, and diversity and inclusion.

In 2020, the prioritized topics from the assessment were mapped against SASB's Metals & Mining Industry Standard and it was concluded that there is strong alignment between the ESG topics identified by Centerra as part of its ESG Issues

Assessment and SASB's ESG topics for the Metals & Mining Industry Standard. In addition, given the rigorous industry and stakeholder consultation process SASB undergoes in order to produce a standard, the ESG topics and accounting metrics from SASB's Metals & Mining Industry Standard were selected as the foundation for Centerra's 2020 ESG Report.

In addition, results from a high-level peer and industry benchmarking exercise, additional stakeholder and group feedback (including from communities, regulators, ESG rating agencies and investors), the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and industry regulations and trends were assessed against the mapping.

For topics that had high frequency and meaningful prevalence but were not adequately covered in the SASB Metals & Mining Industry Standard, Centerra selected additional metrics from the Global Reporting Initiative (GRI) Standards to provide external stakeholders and groups with a more comprehensive overview of our impact and operations.

2020 ESG HIGHLIGHTS

YEAR 1 RGMP REQUIREMENTS

Completed Year 1 requirements for the World Gold Council's Responsible Gold Mining Principles (RGMPs), including an on-site Year 3 assurance at our Öksüt Mine.



COMMUNITY INVESTMENTS & DONATIONS

Centerra allocated over \$3 million in strategic community investments and donations.

GREENHOUSE GAS EMISSIONS ASSURANCE

Global Scope 1 and Scope 2 greenhouse gas (GHG) emissions were independently verified under ISO 14064-3 by an accredited third-party verification firm.

GLOBAL SCOPE 1 EMISSIONS

Our global Scope 1 emissions were 367,443 tonnes CO₂e and global Scope 2 emissions were 43,720 tonnes CO₂e, for total GHG emissions of 411,162 tonnes CO₂e. Centerra's 2020 GHG emissions intensity of 0.50 tonnes per ounce of gold produced compared to 0.59 in 2019 compared to an industry average of 0.8¹.



HEALTH AND SAFETY TRAINING

Employees and contractors received 127,868 and 92,051 hours, respectively, of health and safety training during the year.

GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT (GISTM)

Commenced Company-wide review and gap assessment of the United Nations Principles for Responsible Investment (PRI) and the International Council on Mining and Metals (ICMM) Global Tailings Standard.

NO ENVIRONMENTAL INCIDENTS

No environmental incidents across our operating sites. One Level III environmental incident at the Kemess Underground Project which resulted in a warning letter (but no fine) from the Canadian Wildlife Service.



CORPORATE PERFORMANCE SCORECARD

Centerra's corporate performance scorecard allocates 25% to environment, sustainability, health and safety performance and is linked to our executive and corporate employee short-term compensation structure. Centerra's Board of Directors approved and only allocated 10% out of the available 25% target in 2020 due to safety incidents in February 2020.

WOMEN IN LEADERSHIP

Women account for 17% of Centerra's Executive Leadership Team and 17% of management.



DIVERSITY, EQUITY AND INCLUSION

Centerra employees completed >1,092 hours of total training on diversity, equity and inclusion, with a particular focus on recognizing unconscious bias.



¹ S&P Global Market Intelligence

CHAIRPERSON ANNUAL MESSAGE

Centerra, recognizing that a strong Environmental, Social and Governance (ESG) commitment is essential to running a safe, successful and sustainable enterprise, has for a long time prioritized ESG matters in its day-to-day operations. The global pandemic which we all continue to address underscores the importance of Centerra's ESG commitments. Today, nothing is more critical than keeping our workforce and communities safe and healthy, creating a culture of inclusion and belonging, and protecting our natural environment.

Centerra's Board of Directors recognizes that ESG issues can have substantial and long-lasting impacts on the Company's sustainability and profitability. Our goal is to protect and create long-term value for Centerra's shareholders and other stakeholders. Every effort is made in critical aspects of our business to establish meaningful, measurable ESG goals against which the corporation's performance is regularly monitored. In so doing, we regularly review management's strategic objectives, vision and strategies for identifying, prioritizing and managing ESG risks. In fact, all of our five standing Board committees have ESG matters embedded in their annual work plans.

The Board seeks to remain continuously informed about emerging trends, issues and risks that may impact the business. As it related to ESG in 2021, the entire Board participated in an ESG awareness session, which included a review of emerging and salient ESG issues, performance standards and reporting frameworks, such as human rights, the

World Gold Council's Responsible Gold Mining Principles, the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). Also, all Board members participated in a Diversity, Inclusion and Unconscious Bias program that had been delivered to all of Centerra's salary employees.

In addition, in early 2021, the Board approved a new Diversity, Equity & Inclusion Policy which set a target of 30% female representation on Centerra's Board of Directors and Officer Group, respectively, by 2026. This decision recognizes the underrepresentation of women in senior leadership roles in our Company and generally across the mining sector. Centerra recognizes diversity is key to creating effective teams that bring varied experiences, skill sets and perspectives to decisions facing our Company.

Looking forward, as the world transitions to a low-carbon economy, it is our responsibility to



understand how our operations may be impacted and how we can manage Centerra's carbon emissions. Management has undertaken the task of better understanding Centerra's climate-related risks and adaptation options and the Board will actively monitor its progress.

Centerra has taken meaningful steps to better understand its financially significant ESG issues and provide disclosure in a consistent and reliable manner. This document is the Company's second SASB-aligned ESG report and it has been reviewed by the Board of Directors.

Thank you for your interest in Centerra. We look forward to updating you as we strive to continuously improve our ESG performance and provide transparent, timely and valuable disclosure.

Sincerely,
(Signed)
Michael S. Parrett

CEO ANNUAL MESSAGE

Over the last few years, Centerra has built critical momentum in its ESG journey. I'd like to take this opportunity to review our progress.

First, I am proud of our team for continuously putting 'People First' and ensuring the health and safety of our entire workforce during the pandemic and in the daily course of operations. Nothing is more important than ensuring that each member of our team goes home safely at the end of each day.

Since the start of COVID-19, we have taken precautions across our global sites to help stop the spread of this virus, from social distancing protocols and mandatory face coverings to increased sanitation of high-touch areas and flexible working arrangements. We have also made important community investments, including providing local financial support and helping build resiliency through mask production initiatives, youth awareness campaigns and medical equipment donations.

Importantly, we will remain compassionate and transparent in our decisions and communications and lead with empathy and inclusivity, underscoring our commitment to putting our people first.

In September 2019, we publicly committed to conforming with the World Gold Council's Responsible Gold Mining Principles. The RGMPs set out clear expectations for consumers, investors and the downstream gold supply chain as to what constitutes responsible gold mining. In October 2020, we completed our Year 1 RGMP

assurance, as well as a Year 3 on-site assurance at our Öksüt Mine.

During the year, we completed the internal assessment required by the Conflict-Free Gold Standard. Our conclusions found that Centerra's operations are not in a conflict-affected or high-risk area and do not contribute to unlawful armed conflict or to serious human rights abuses or breaches of international humanitarian law.

We recognize that climate change has the potential to impact our operations and the communities where we operate.

Over the course of 2020, I met with my Executive and Senior Leadership Teams three times to discuss our climate risks and opportunities and the path forward for Centerra. We will continue to advance our climate strategy.

As part of our membership with the World Gold Council, we committed to providing enhanced climate disclosure that is aligned with the recommendations made by the TCFD. We understand the link between climate change and water access and quality. We aim to use freshwater resources efficiently and provide positive water benefits to communities when possible.

In 2020, Mount Milligan used 89% recycled water in its operations and our community relations



team at Öksüt supported the construction of a new drinking well that will benefit 625 community residents over the next 20 years.

Finally, I would like to share the progress we have made on our diversity, equity and inclusion (DE&I) program, which we recognize is imperative for the long-term success of our Company.

In 2020, we partnered with the Canadian Centre for Diversity and Inclusion (CCDI) to formally commence the development of our DE&I strategy and became a sponsor for International Women in Mining (IWiM).

Last year, Centerra's employees, including all Board members and senior management, completed over 1,200 hours of diversity and inclusion fundamentals and unconscious bias training.

As always, I would like to thank our global team for their commitment to our ESG strategy and I look forward to providing an update on these key initiatives in our 2021 ESG Report.

(Signed)
Scott Perry
President & Chief Executive Officer

ESG TARGETS AND PROGRESS

We set targets to help monitor our performance, measure our progress and continuously improve.

The targets outlined below represent several of our key ESG priorities, including diversity, equity and inclusion, health and safety, human rights and biodiversity.

ESG Priority	Target	Progress
Standards & Assurance	Achieve adherence to the World Gold Council's Responsible Gold Mining Principles (RGMPs) by 2022	In November 2020, Centerra completed RGMP Year 1 requirements and RGMP Year 3 requirements at its Öksüt Mine. In 2021, Centerra commenced its RGMP Year 2 requirements, including developing new policies and practices in the areas of <u>biodiversity</u> , <u>social performance</u> , <u>human rights</u> and <u>climate change</u> , and continued its progress on its <u>diversity, equity and inclusion</u> initiatives.
	Expand scope of third-party assurance of key ESG performance metrics	In 2021, we completed an inaugural Scope 1 and Scope 2 greenhouse gas (GHG) emissions assurance on the Company's 2020 GHG emissions.
Diversity, Equity & Inclusion	Achieve 30% female representation on Centerra's Board of Directors and Officer Group by 2026	As of 2021, 2/10, or 20%, of Centerra's Board of Directors, and 1/6, or 17%, of our Executive Team, identify as female ¹ .
Health & Safety	Achieve full implementation and integration of Centerra's Health & Safety Critical Control Management (CCM) program across Centerra by the end of 2022	Full implementation and rollout is underway at Öksüt and is being introduced at Mount Milligan ¹ . CCM implementation and integration will continue throughout 2021 and into 2022 and will be focused on Centerra's remaining business units (i.e., global exploration and the molybdenum business including Thompson Creek and Endako).

¹ Refer to the subsequent event note on [page 2](#) or further information. Given the events at the Kumtor Mine in May 2020, the Company cannot provide a progress update or forecast of this target.

ESG TARGETS AND PROGRESS

ESG Priority	Target	Progress
Biodiversity	At Öksüt, achieve a net positive impact on biodiversity in the Develi region, specifically an offset of 150% of net loss biodiversity values for critical habitats and 120% of net loss biodiversity values for priority biodiversity features	<p>Offset activities include the protection of existing populations (fencing existing populations to protect from excessive grazing and trampling), reintroductions and direct translocation or seeding for wild stock populations of vulnerable flora, enrichment planting of existing forested areas, and reforestation of selected areas along the mine fence line.</p> <p>Key conclusions can be accessed in Centerra's CDP Forests Questionnaire.</p>
	Achieve no net loss of fish and aquatic habitat at the Mount Milligan Mine	<p>Between the years of 2011 and 2017, Mount Milligan's Fish Habitat Compensation Program included compensatory works such as habitat complexing, construction of three offsetting ponds, restoration and improvement of fish passages, and building habitat in the Rainbow Creek watershed.</p> <p>The construction of the compensatory works occurred over several years and monitoring must continue for 10 years after completion of the works. Some features have reached full maturity, met 10-year post-construction monitoring requirements, are stable and can be considered complete. A few features are within the 10-year post-construction monitoring period, and thus monitoring is being completed annually. Monitoring should be completed for the final features in 2027.</p> <p>Key conclusions can be accessed in Centerra's CDP Forests Questionnaire.</p>
Human Rights	Rollout of human rights programs in 2022	<p>In early 2021, Centerra began the development of a Company-wide human rights e-training program.</p> <p>Updates on this training program are expected to be reported in future ESG reports.</p>

OUR COVID-19 RESPONSE

The safety of our employees remains our top priority during the COVID-19 pandemic, and we are taking action based on the best available information.

Since March 2020, we have been continuously monitoring information published by the Public Health Agency of Canada, U.S. Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and other guidance released from government agencies.

Centerra has taken the following measures to provide its employees with accurate information, help prevent infection and reduce the potential transmission of COVID-19:

- Pandemic & Crisis Management:** A global crisis management team was activated in early March 2020 and has remained in full operation, as of the publication of this Report. The team, comprised of executives and local site leaders, has been leading Centerra's global response and has implemented a corporate pandemic response plan complemented by local site-specific crisis management plans. In 2021, the team engaged the services and guidance of **ISOS**, an external medical advisory service. This medical advisory service provides the team with the latest in pandemic developments and trends to assist with critical decision making related to the pandemic.

- Health and Mental Wellbeing Support:** Centerra continues to educate and raise awareness on COVID-19 facts and preventative actions through frequent communication with employees, and is directing leaders to offer compassionate support for employees who are concerned about their wellbeing and the wellbeing of their families. Any employee who is feeling unwell or experiencing flu-like symptoms has been advised to stay home. The Company is conducting temperature checks using non-contact thermometers and asking health questions of all individuals entering any of its sites. A standard operating procedure has been implemented in case there is a need for individual isolation and subsequent transportation from site for any individual who exhibits COVID-19 related symptoms.
- Workplace Hygiene:** All sites have increased daily cleaning of all common areas and spaces where there is frequent employee contact, including shared objects and any high-touch surfaces. Proper food hygiene and preparation practices have been reinforced at the Company's mine sites which have on-site living quarters.

- Remote Working:** To promote social distancing practices, corporate and global regional offices have implemented flexible work arrangements, including some office closures. The Company has also moved to virtual meetings across the organization where possible to limit in-person meeting attendees. To continue supporting employees' needs, flexible working arrangements are being considered post-COVID.

- Operating mine sites** have been actively assessing the resiliency of their supply chain, increasing mine site inventories of key materials and developing contingency plans to allow for continued operations.

The strict precautions and diligent protocols we have implemented across our sites have been largely successful. We will continue to assess and adapt our protocols as needed to manage COVID-19 and keep our people safe.

Refer to **Section 3.4 Community Relations** for a summary of the Company's COVID-19 community support activities and financial relief donations.



At Öksüt, in collaboration with local agencies, we produced and distributed 100,000 medical masks for residents in the Develi region to help stop the spread of COVID-19.



Section 1.

GOVERNANCE

Centerra acts in strict adherence with laws in all operational jurisdictions. Strong corporate governance policies and processes enable Centerra to effectively manage and oversee ESG-related risks and opportunities and create long-term value for the Company.

IN THIS SECTION

1. Governance
 - 1.1 Our Approach
 - 1.2 Process to Manage Risks and Opportunities
 - 1.3 Performance

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GOVERNANCE

Why Is this Important to Centerra?

Operating in an ethical and transparent manner is critical to maintaining the trust of our employees, business partners and external stakeholders, including communities of interest, Indigenous groups and our investors. Unethical practices will undermine our ESG performance and can lead to significant fines/penalties, decreased employee morale, loss of our social license to operate, liabilities and long-term reputational damage.

SECTION 1.1 OUR APPROACH

Operating in jurisdictions that support accountability and transparency is key. Our ethical conduct and anti-bribery program is guided by relevant legislation (Foreign Corrupt Practices Act and the Corruption of Foreign Public Officials Act, amongst others), the Extractive Industries Transparency Initiative (EITI) Principles, Centerra's anti-corruption policies, employee awareness and training, a third-party whistleblower mechanism and transparency reporting.

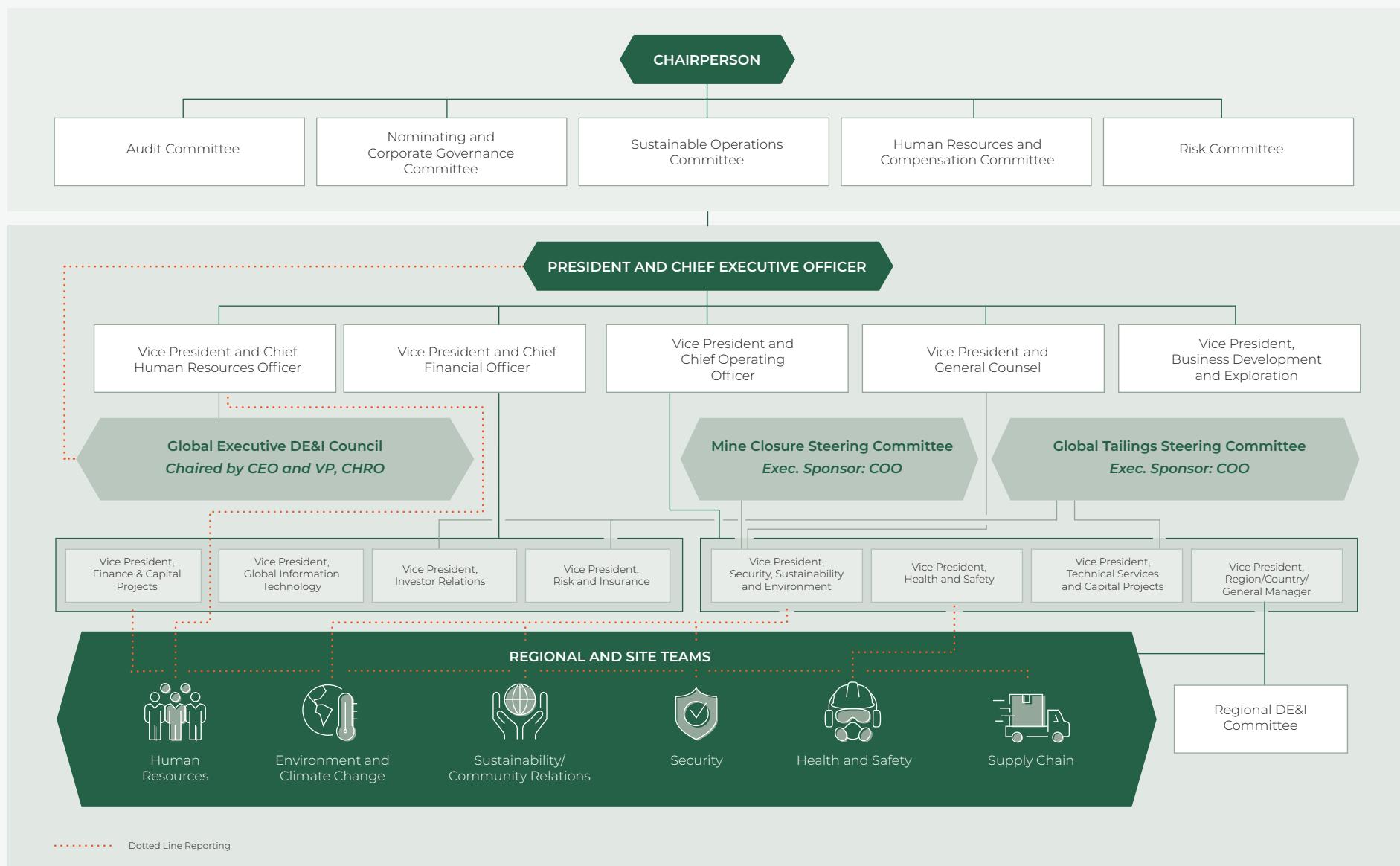


ANALYST CORNER

- [Complaint Procedure](#)
- [Employee Code of Ethics](#)
- [International Business Conduct Policy](#)
- [Extractive Sector Transparency Measures Act \(ESTMA\)](#)
- [Board Mandate](#)
- [Nominating and Corporate Governance Committee Charter](#)
- [Risk Committee Charter](#)
- [Sustainable Operations Committee Charter](#)
- [Human Resources and Compensation Committee Charter](#)



CENTERRA'S SUSTAINABILITY GOVERNANCE STRUCTURE



SECTION 1.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

SECTION 1.2.1 BOARD OVERSIGHT OF ESG FACTORS

Centerra's Board of Directors has oversight of all ESG factors, including climate-related risks and opportunities. The Board of Directors has five standing committees, the Sustainable Operations Committee, Risk Committee, Human Resources and Compensation Committee, Audit Committee, and Nominating and Corporate Governance Committee.

The Board's **Sustainable Operations Committee** provides oversight on social and environment factors such as the Company's stakeholder engagement, strategic community investment, Indigenous relations, human rights, health and safety, security practices, and all environmental factors including mine closure.

The Board's **Risk Committee** provides oversight on the Company's significant or critical risks, including strategic, financial and operational risks. This includes all ESG-related risks deemed to be significant and explicitly includes mine closure liabilities and tailings storage facility (TSF) management. The Risk Committee of Centerra's Board of Directors receives updates at least annually on the status of the Company's TSFs and more frequently if changes occur to the TSF risk ratings.

The Board's **Human Resources and Compensation Committee** provides oversight on the selection and retention of senior management, compensation of senior management, senior management succession and development, and human resources policies, among other topics. Policies and standards are approved and administered by the Vice President and Chief Human Resources Officer (CHRO). Implementation of these policies and standards is managed by site human resources teams.

The Board's **Audit Committee** provides oversight on the Company's financial reporting, compliance with legal and regulatory requirements related to financial reporting and certain corporate policies, and internal controls over financial reporting and disclosure controls, among other issues.

The Board's **Nominating and Corporate Governance Committee** provides oversight on Centerra's overall approach to corporate governance, the size, composition and structure of the Board and its committees, the identification and recommendation to the Board of qualified individuals for appointment to the Board and its committees, orientation and continuing education for directors, and matters involving conflicts of interest of directors, among other topics. This

includes ensuring that the Board has the correct training and education on ESG-related topics such as emerging disclosure requirements and ESG standards, and that the Board has the required ESG skills and experience.

On a quarterly basis, the Sustainable Operations Committee and Human Resources and Compensation Committee are provided updates on the Company's environment, sustainability, health and safety, and human resources performance, as well as an overview and analysis of emerging issues, from the Vice President, Security, Sustainability and Environment (SS&E), Vice President, Health & Safety (H&S), and Vice President and CHRO, respectively.

SECTION 1.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

SKILLS MATRIX

When considering Board and committee composition, the Board considers diversity of background, skills, age, culture, geography, experience and gender. Our current directors represent a strong and diverse mix of experience (based on self-assessments) in finance, mining, engineering, sustainability, government relations, Indigenous relations, risk management, metallurgy, mergers and acquisitions, and international business, specifically:

- 50% (5/10) of our Board members have skills and experience in environmental and social performance.
- 50% (5/10) of our Board members have skills and experience in health and safety.
- 90% (9/10) of our Board members have skills and experience in human resources.

Refer to page 51 of Centerra's 2021 Management Information Circular for the complete skills matrix for the Board of Directors.

CONTINUOUS EDUCATION

To help ensure the Board understands key emerging trends and risks related to ESG, members of the Board receive awareness training on relevant frameworks, standards and topics. Over the last few years, the Board has received training on the World Gold Council's Responsible Gold Mining Principles and the Voluntary Principles on Security and Human Rights, among other topics.

Centerra's entire Board of Directors participated in an ESG awareness session. This session was focused on educating the Board around the increasing expectations from stakeholders, including communities of interest and investors, on climate change, human rights, water management and other ESG-related issues. The session also reviewed our investor-preferred ESG reporting frameworks such as the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), Sustainable Development Goals (SDGs) and Centerra's commitment to conformance with the Responsible Gold Mining Principles (RGMPs). In 2021, the Board also participated in a training program focusing on Diversity, Equity and Inclusion, and Unconscious Bias.

The Board is committed to clear, accurate and comprehensive financial and non-financial reporting and disclosure and continuously improving policies and procedures.

SECTION 1.2.2 EXECUTIVE AND SENIOR LEADERSHIP COMMITMENT

Our Executive and Senior Leadership Teams are accountable for ensuring that Centerra delivers on its ESG performance priorities and targets. Strategy and progress toward our ESG performance priorities and targets are discussed regularly at both weekly management meetings and are key topics at annual strategic sessions.

The Vice President, H&S reports directly to the Chief Operating Officer (COO) on health and safety topics. The Vice President, SS&E reports into the Vice President and Legal Counsel on matters related to the environment, social performance and security management. The Vice President, SS&E also reports to the Vice President and Legal Counsel on climate-related issues, including progress on the Company's climate change strategy, and the COO is responsible for communicating progress and performance to the rest of the Executive Team, including the CEO.

As necessary, the SS&E team meets directly with the Executive Team to discuss progress and make decisions related to the Company's overall ESG performance including human rights and climate change-related work. Throughout 2020, the Executive Team met directly with the SS&E team and other key members of the Senior Leadership Team three times to specifically discuss the Company's approach to managing climate change risks and disclosure.

SECTION 1.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES



Centerra's corporate performance scorecard allocates 25% to ESG performance

The Vice President, Risk & Insurance reports to the Chief Financial Officer. For employee-related matters, the Vice President and CHRO retains accountability. Centerra's Vice President and General Counsel retains accountability for the Company's management and compliance to the Code of Ethics and International Business Conduct Policy.

Our General Managers maintain site accountability for ESG-related activities. Furthermore, at each site there is a director, manager or equivalent appointed to oversee sustainability, environmental management, health and safety, and human resources who reports directly into this site leader. These local leads are supported by coordinators, technicians, contractors and external consultants as needed. Functional leads at each site also have a dotted reporting line into the Vice President, SS&E, the Vice President, H&S, and the Vice President and CHRO in Toronto, as appropriate.

Centerra's corporate performance scorecard allocates 25% to ESG performance. Centerra's corporate scorecard is one factor in the executive short-term compensation structure. For more on our approach to executive compensation, see the 2021 Management Information Circular.

In addition, in 2020, Centerra's CEO and COO executive short-term compensation was linked to the implementation and rollout of the World Gold Council's RGMPs. The RGMPs cover a wide cross-section of ESG-related issues, including climate change. Principle 10 directly addresses the link between water, energy and climate change and stipulates that companies must improve the efficiency of their water and energy use and recognize that the impacts of climate change and water constraints may increasingly become a threat to the locations where they operate.

SECTION 1.2.3 ESG RISK MANAGEMENT

Centerra has implemented an Enterprise Risk Management (ERM) program to ensure risk-informed decision making throughout the organization. The Risk Committee of the Board provides oversight of the ERM program. The program is based on leading international risk management standards such as ISO 31000 and the Committee of Sponsoring Organizations of the Treadway Commission, as well as industry best practice. It employs both a bottom-up and top-down approach to identify and address risks from all sources that threaten the achievement of our objectives.

Each operating site and project is responsible for identifying, assessing, treating and monitoring risk. Centerra's ERM program identifies appropriate risk owners for each risk included in the risk register.

On a quarterly basis, all relevant site and corporate teams, including environment, sustainability, health and safety, and security, review the status of identified operational risks and assess the likelihood and impact of emerging risks. This regular risk assessment process ensures that the team has proper resources to manage current and emerging risks. Efforts are coordinated by appointed "Risk Champions" who facilitate the process to ensure consistency and continuity.

All relevant site teams complete and update a site risk register on a quarterly basis to include identified ESG-related risks. Risks are reviewed by the Vice President, Risk & Insurance and those assessed as a priority are presented to the Risk Committee at the quarterly meeting to ensure appropriate oversight and resources are provided to mitigate these areas. Centerra's Vice President, Risk & Insurance is responsible for providing the requisite tools, guidance, oversight and strategic direction for the ERM program.

The risk management program at Centerra considers the full life of mine cycle from exploration through to post-closure. All aspects of the operation and our stakeholders are considered when identifying risks. As such, our risk program encompasses a broad range of risks including technical, financial, commercial, social, reputational, environmental, health and safety, political and human resources related risks.

SECTION 1.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

Both the corporate and site-based risk registers currently incorporate climate-related risks, although they may not be directly labelled as climate risks. These risks include water access and quality, wildfires, inclement weather, seismic events, tailings failures from overtopping, power outages and air quality impacts. The climate-related risks currently identified are prioritized, mitigated and monitored as all other operational risks, with no distinction in process or treatment.

ERM supports continuous improvement in the organization as risk information is used to navigate and make course corrections. Stakeholder value is thus created through improved business performance and resilience.

SECTION 1.2.4 ESG SAFEGUARDS AND ASSURANCE

We manage safety, health, social and environmental performance at every site with formal ESG safeguards that include Management Operating Systems (MOS) that are based on good international industry practices (GIIP). Managing our risks and mining responsibly requires that we plan before we do work, check by monitoring progress against our plan, and act on what we have learned through audits and other forms of verification.

From time to time, internal and external audits are performed by auditors to make sure our facilities comply with our own ESG safeguards and also

applicable laws and regulations and generally accepted GIIP. These risk-based programs identify areas of concern and help us continuously improve our performance. For example, as a part of our commitment to the Responsible Gold Mining Principles, we are required to obtain annual external assurance from a third-party independent assurance provider.

SECTION 1.2.5 BUSINESS ETHICS AND TRANSPARENCY

1. REGULAR ETHICS AND CODE OF CONDUCT TRAINING

Centerra's Code of Ethics for employees addresses avoidance of conflicts of interest, protection of confidential information, compliance with applicable laws, rules and regulations, and adherence to good disclosure practices, among other items.

Our International Business Conduct Policy serves as our anti-corruption policy and sets forth rules, principles and procedures designed to ensure that Centerra and those subject to this policy comply with the requirements of various laws prohibiting corruption and bribery, including the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act (FCPA), as well as other guidelines and standards that comprise best business practices.

We provide regular ethics and anti-corruption training to our employees and determine the

frequency of this training using a risk-based approach. Generally, we will administer training to a significant majority of employees every three years. We also provide training to key high-risk departments, including government relations, community relations/sustainability, finance, procurement, legal, and managers of most departments. Training is conducted via numerous platforms including policy reading and formal sign-off, online video training and in-person facilitation.

2. WHISTLEBLOWER PROGRAM

Our whistleblower program provides employees and third parties with a means to raise concerns in good faith regarding potential violations of all our standards, policies and procedures, and ensures that those individuals will be protected from dismissal or retaliation of any kind.

Employees and any third parties with concerns around a potential infringement of employee rights have three mechanisms in which to report concerns in a confidential or anonymous manner.

- a) 24 hour-a-day compliance hotline, a service which is operated by a third party. Access is available online, by telephone or by Skype® (audio-only), and is available in English, Russian, Kyrgyz and Turkish.
- b) Writing to the General Counsel and Corporate Secretary of the Company.
- c) Writing to the Chair of the Audit Committee.

SECTION 1.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

An employee who, in good faith, reports a concern regarding a suspected breach of a policy is protected from reprisal such as dismissal, demotion, suspension, threats, harassment or discrimination. Every reasonable effort will be made to ensure the confidentiality of those providing information. If an employee prefers to report an allegation anonymously, they must provide enough information about the incident or situation to allow Centerra to investigate properly and effectively. Centerra's management actions, taken upon the conclusion of investigations, have included termination of employees, termination of contractors and in limited circumstances reporting the incident to local governing authorities.

3. ANNUAL TRANSPARENCY REPORTING ON GOVERNMENT PAYMENTS

On an annual basis, we prepare and submit a report prepared in accordance with the Extractive Sector Transparency Measures Act (ESTMA), a Canadian legal requirement. This ESTMA report sets out payments we make to our host governments, including Indigenous groups.

Centerra is also a signatory of the Extractive Industries Transparency Initiative (EITI). The EITI contributes to improved governance in resource-rich countries through the verification and publication of all company payments to governments as well as government-reported revenues from oil, gas and mining.

SECTION 1.3 PERFORMANCE

As of 2020, we had no operations or exploration in countries ranked within the 20 lowest by the most recent Corruption Perceptions Index (prepared by Transparency International).

Table 3. Corruption Perceptions Index (CPI)¹

Country	2020 Score (Ranking)	2019 Score (Ranking)
Canada	77 (11)	77 (12)
Turkey	40 (86)	39 (91)
Kyrgyz Republic	31 (124)	30 (126)
USA	67 (25)	69 (23)



¹ The CPI scores and ranks 180 countries and territories by their perceived levels of public sector corruption, according to experts and businesspeople. It is a composite index, a combination of 13 surveys and assessments of corruption, collected by a variety of reputable institutions. The CPI is the most widely used indicator of corruption worldwide. It uses a scale of zero to 100, where zero is highly corrupt and 100 is very clean.

Section 2.

ENVIRONMENTAL STEWARDSHIP

We are committed to protecting the natural environment and minimizing adverse impacts caused by our operations or related activities. Our commitment extends from exploration to construction and operations into post-closure.

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ENVIRONMENTAL STEWARDSHIP

Why Is this Important to Centerra?

Stewardship of our environmental footprint is critical to our overall ESG performance, underpins our ability to earn and maintain a *social license to operate* and is required for ongoing compliance with our operational permits. Environmental negligence can result in increased operational costs, fines and penalties, potential liabilities, reputational damage and impact to our long-term value potential. Proactively protecting and managing our environmental footprint may also increase operational efficiencies, strengthen local stakeholder and Indigenous group relationships, and mitigate permitting and regulatory costs.



Stewardship of our environmental footprint is critical to our overall ESG performance, underpins our ability to earn and maintain a *social license to operate* and is required for ongoing compliance with our operational permits

SECTION 2.1 OUR APPROACH

We rely on implementing strong environmental safeguards. For instance, our Kumtor and Öksüt operating sites have implemented an ISO 14001-aligned environmental management system (EMS), and Mount Milligan intends to work toward the implementation of an ISO 14001-aligned EMS.

Each site-specific EMS has been designed to include scheduled monitoring, engineering, administrative controls, and internal and external reporting on areas including water, waste and hazardous materials, biodiversity, air quality, tailings management, energy and emissions, and reclamation.

Each site's activities and focus areas are determined by:

1. Findings of third-party environmental and social impact assessments (ESIAs) or environmental impact assessments (EIAs).
2. Environmental requirements set out by financiers and International Funding Institutions (IFIs) such as the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC).

3. Internal identification of significant environmental aspects (SEAs) that are required to meet our regulatory compliance and environmental performance objectives.

4. International standards and frameworks Centerra has adopted, including the World Gold Council's Responsible Gold Mining Principles, the International Cyanide Management Code (ICMC) and standards we broadly seek alignment to, including the performance expectations set out in the Mining Principles published by the International Council on Mining and Metals (ICMM).

Currently, key SEAs for operations include:

- Greenhouse Gas (GHG) Emissions
- Air Quality
- Energy Management
- Water Management
- Waste & Hazardous Materials Management
- Biodiversity Management
- Mine Closure and Reclamation¹

¹ Mine Closure and Reclamation has not been identified as a topic by SASB's Metals & Mining Industry Standard, but Centerra considers it to be an important environmental factor. This topic has been included in the [Biodiversity Management](#) section.

SECTION 2.1 OUR APPROACH

SECTION 2.1.1 GENERAL REGULATORY LANDSCAPE

We work closely with various national regulatory agencies across all our operating jurisdictions to ensure we remain compliant with environmental regulations and our permits.

- Canada:** Centerra's Canadian operations include the Mount Milligan Mine in the province of British Columbia (B.C.). Our mining activities are regulated by both provincial and federal legislation. On a provincial level, the main legal instruments applicable to our mine sites are the Environmental Assessment Act, the Mines Act and Health, Safety and Reclamation Code (HSRC), Environmental Management Act, Water Sustainability Act and Regulation and Groundwater Protection Regulation. Regular inspections by the B.C. government occur. On the federal level, the Mount Milligan Mine is regulated by the Fisheries Act and associated Fisheries Act Authorizations that require the implementation and monitoring of a Fisheries Habitat Compensation Plan (FHCP).

- Kyrgyz Republic:** In the Kyrgyz Republic, any enterprise that has activities that have a potential negative impact on the environment must develop and maintain an ecological passport ("Ecological Passport") that includes basic levels of impact on the environment, such as maximum allowable emission (MAE) and maximum allowable discharge (MAD) levels.

The Ecological Passport is developed every five years and must be approved by the Kyrgyz regulatory authority responsible for environment protection (State Agency for Environmental Protection and Forestry (SAEPF)). The Ecological Passport identifies some of the permits and approvals required by the Kumtor Mine for its operations, with annual permits required for MAE norms, MAD norms and water usage limits. The Kumtor Mine obtained its MAE and established its water usage limits for 2020, and the permits for discharges and emissions in 2020 were received in a timely manner. The Ecological Passport for the Kumtor Mine was obtained in December 2017 and is valid until December 2022.

In October 2020, the Kyrgyz Parliamentary elections resulted in a period of political and social disruption in the Kyrgyz Republic. In February 2021, a State Commission was formed by the Kyrgyz Republic Parliament to review the performance of the Kumtor Mine and to oversee the implementation of a previous Kyrgyz Parliamentary resolution which established a State Commission in July 2012. As of May 17, 2021, the Company no longer has operational control of the Kumtor Mine.

- Turkey:** In Turkey as in many jurisdictions, mining rights and minerals are exclusively owned by the state. The state delegates rights to explore and operate to Turkish individuals or legal entities through set tenure licenses in return for royalty payments. Mining licensing is regulated by the General Directorate of Mining Affairs, a unit of the Ministry of Energy and Natural Resources (MoENR). According to the Turkish Mining Law, Öksüt Madencilik (OMAS), Centerra's wholly owned Turkish subsidiary, has the right to explore and develop any mineral resources contained within the operation license, provided fees and taxes are paid in order to keep the license in good standing. The operations license was issued on May 1, 2017 and is currently set to expire on January 16, 2023.

While Öksüt has the right to explore and develop within the area covered by the operation licenses, it requires various permits for the development of the project. In November 2015, the Öksüt Mine received approval of the EIA report. In 2016, various other permits necessary to begin development were received, including the forestry usage permit on July 14, 2016, the operation permit for the forestry area on August 26, 2016, and the pastureland permit on January 11, 2018.

SECTION 2.1 OUR APPROACH

In the event that any material changes are planned to the Öksüt life of mine or mine footprint, some of these permits may need to be amended, or new permits will need to be received. In addition, there are regular course permits required for the operation of the mine, some of which are issued for a specified term and require regular renewal.

During the third quarter of 2020, the Öksüt Mine obtained an amendment to its EIA certificate from the Minister of Environment and Urbanization. The amendment is to accommodate changes to the Öksüt Mine's open pit mine design and pit optimization. Due to the delay in receiving the amendment from the EIA and further potential delays in obtaining the related forestry permit, the Öksüt Mine plan and design is currently being further adjusted.



In 2019, we introduced a Company-wide governance process to strengthen our internal procedures related to permitting compliance and related environmental and social obligations

SECTION 2.1.2 PERMITTING AND COMPLIANCE

In 2019, we introduced a Company-wide governance process to strengthen our internal procedures related to permitting compliance and related environmental and social obligations.

To improve internal coordination, including site-wide awareness of permitting needs and submission requirements, we have systematized the compliance process to ensure data accuracy and accountability. Environmental data that is received from laboratories is linked to the specific compliance obligation at each site. High- and low-level limits are set to ensure that compliance is maintained, and non-compliances are mitigated as soon as possible, allowing real-time responsiveness.

Progress at each site is managed through regular evaluations and key performance indicators. This allows us to measure and track performance and identify areas for improvement, internal and external audit programs and inspections, and management reviews.



ANALYST CORNER

[Centerra's 2019 ESG Report](#)

[TSF Safety Disclosure](#)

[Öksüt Environmental Impact Assessment](#)

[CDP Climate Change and Forests Questionnaires](#)

[International Cyanide Management Code Certificates](#)



SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

SECTION 2.2.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

1. GHG REGULATORY LANDSCAPE

To enable effective management of regulatory risks related to greenhouse gas (GHG) emissions, we proactively monitor and assess the regulatory environment in our operating jurisdictions.

As of December 31, 2019, both Canada and the Kyrgyz Republic have ratified the 2015 Paris Agreement which establishes a framework for countries to reduce GHG emissions (thereby helping to limit global temperature increases) and report on their GHG inventories. Turkey is one of the few countries, and the only G20 member, that has signed but not yet ratified the Paris Agreement.

Under the Paris Agreement, [Canada](#) has committed to reducing its GHG emissions by 40% – 45% reductions below 2005 levels by 2030 – and to achieving a net-zero emissions future by 2050. To help meet this commitment, Canada has proposed to increase the carbon price to \$170 per tCO₂e emissions by 2030¹. To meet long-term legislated emissions reductions, [British Columbia](#) (B.C.) has committed to reducing its GHG emissions by 40% below its 2007 levels by 2030. As part of its commitment, B.C. implemented a carbon tax in 2008. In April 2019, the tax increased from \$35 to \$40 per tCO₂e emissions and on April 1, 2021, it rose to \$45 per tCO₂e emissions.

There were no emission-limiting regulations imposed in either the Kyrgyz Republic or Turkey in 2020. We continue to proactively monitor the regulatory landscape in Turkey as we anticipate emerging legislation due to the continued path towards EU accession. In Turkey, EU membership will create more stringent environmental standards and regulations nationwide, like the EU's emissions trading system and the European Green Deal. In addition, in Turkey, we will continue to assess and review our performance standards to ensure alignment with good international industry practices.

In addition to carbon taxes, Centerra is also monitoring the emergence of new climate-related disclosure requirements in the jurisdictions where it operates.

In January 2021, the Ontario Capital Markets Modernization Taskforce, in Canada, recommended that companies adopt the TCFD, citing it as the most stringent set of standards on climate-related disclosure. The Ontario Taskforce has recommended that compliance be monitored by the Ontario Securities Commission (OSC) and has further recommended that the OSC provide companies with a market capitalization above \$500 million with two years to adhere to these recommendations. If either the Act is passed, or the recommendations are adopted by the OSC, there may be greater regulatory requirements for Centerra.

In early 2021, the U.S. Securities and Exchange Commission (SEC) Division of Finance will enhance

its focus on [climate-related disclosure](#) in public company filings with the aim of updating the 2010 guidance to take into account developments in the last decade.

We continue to monitor these trends and events in all jurisdictions through our regular risk assessments and business planning activities as we recognize the impact that new regulations may have on our operations.

2. GHG MONITORING AND REPORTING

To ensure we meet both regulatory compliance and stakeholder expectations, we have processes in place at our operating sites to track and report our GHG emissions.

The Mount Milligan Mine in British Columbia reports GHG emissions according to the British Columbia Greenhouse Gas Reporting Regulation and The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). Each year, on or before June 1, calculated Scope 1 and Scope 2 GHG emissions are reported into Environment and Climate Change Canada's Single Window Reporting System (SWRS) as required under the British Columbia Greenhouse Gas Emission Reporting Regulation and Greenhouse Gas Industrial Reporting and Control Act.

To create reporting accuracy and consistency across our operating sites and new mines coming online, namely the Öksüt Mine, we standardized our global GHG emissions reporting. Centerra's 2020 GHG emissions inventory has been prepared

¹ [A Healthy Environment and a Healthy Economy](#)

SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

in accordance with the British Columbia Greenhouse Gas Reporting Regulation, as this is the only jurisdiction where Centerra currently has reporting requirements.

Centerra annually discloses its total GHG emissions by project basis through its sustainability report and CDP Climate Change disclosure. In 2021, Centerra's Scope 1 and Scope 2 GHG emissions for the 2020 operating year were verified using the ISO 14064-3 standard for verification. In future

reporting, Centerra will assess the feasibility of including enhanced GHG disclosure on its development and molybdenum business unit.

3. CLIMATE CHANGE STRATEGY

In 2019, we commenced the development of a Company-wide climate change strategy.

In 2020, our focus was on identifying and prioritizing Centerra's climate-related risks and opportunities using the TCFD's categorization of

risks and opportunities. This initial prioritization was completed by interviewing select members of Centerra's Executive and Senior Leadership Teams, including regional site leaders, reviewing peer disclosure and analyzing the public position statements of Centerra's key institutional investors. This methodology identified four initial priority climate-related risks and two climate-related opportunities as detailed in Table 4.

Table 4. Climate-Related Risks and Opportunities Summary

Table 4 is a summary table of Centerra's climate-related risks and opportunities. The complete version of this table can be found in the Company's [2021 CDP Climate Change Questionnaire](#).

Identified Risks and Opportunities	Explanation of Actual or Potential Impact	Mitigation Measure
Chronic Physical Risk <i>The chronic physical effects of climate change, such as resource shortages (particularly water quality and availability) and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur.</i>	Mount Milligan In 2017, the Mount Milligan site experienced a drier than normal spring and summer with a limited amount of spring snowmelt. This resulted in lower than expected reclaim water volumes in the tailings storage facility (TSF), which was further exacerbated by unanticipated extremely cold temperatures at Mount Milligan, resulting in a greater than expected loss of water volumes in the TSF due to ice formation. Capital expenditures were also required to build new infrastructure to access new water sources and ensure future water availability.	In 2019, Mount Milligan Mine collaborated with government agencies, stakeholder committees and Indigenous groups to obtain the necessary permits to enable access to medium-term surface and groundwater supply sources while studies and investigations to identify long-term life of mine water supply sources continue. In 2020, Mount Milligan Mine submitted an application to extend the term of access to the medium-term surface and groundwater supply sources to November 2023, to allow sufficient time for the development, permitting, design and construction of a life of mine water supply option. The Company does not expect any water constraints in 2021.
	Öksüt The Öksüt Mine is in the Kayseri region, which is defined as an area of high baseline water stress by the World Resources Institute's (WRI) Water Risk Atlas tool.	Internal risk assessments demonstrate that access to groundwater is sufficient for Öksüt's operations. At Öksüt, our heap leach facility has been designed to reuse water and solution continuously. In 2020, our adsorption-desorption recovery (ADR) plant and heap leach area used recycled water, which accounted for 36.4% of our total water usage and decreased our dependence on freshwater sources.

SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

Identified Risks and Opportunities	Explanation of Actual or Potential Impact	Mitigation Measure	
<p>Acute Physical Risks <i>Acute physical impacts are specific to the geographic location of operations and can have several financial impacts including operational shutdowns (due to extreme weather events resulting in decreased revenue and operational delays), damage to physical assets, infrastructure and the supply chain (leading to reduced revenue from decreased production capacity and increased capital expenditures), and impacts to workforce health and safety (working outdoors in higher temperatures, increased health and safety risks due to extreme weather events resulting in higher costs to mitigate impacts on the workforce and due to absenteeism).</i></p>	Company	<p>Extreme precipitation events can also cause damage to integral infrastructure, including TSFs, and lead to road washouts, delays in the delivery of required goods to sites and cause power outages.</p>	<p>Centerra's TSFs have all been designed by professional engineers and are constructed, operated and monitored under the guidance of an external engineer of record. TSFs are actively managed to maintain structural performance and ensure environmental safety. Centerra's TSFs are designed in accordance with all applicable dam safety regulations and requirements. Centerra has developed a five-step management process that is applied and monitored at each site.</p> <p>Refer to Section 2.6 Waste and Hazardous Materials Management for more information.</p>
	Mount Milligan	<p>Wildfires have the potential to disrupt operations, damage assets and infrastructure, impact employee health and safety, and lead to increased capital expenditures and reduced revenue.</p>	<p>The site has an active on-site weather station that monitors climatic conditions, trained a mine rescue team on wildland firefighting techniques, removed timber around the mill process building and other critical infrastructure, and performs powerline inspections and limits tree undergrowth.</p>
	Öksüt	<p>The Öksüt Mine has experienced sustained colder temperatures and extreme weather conditions throughout the winter months that were not accounted for during detailed project engineering. This has resulted in weather-related downtime due to poor visibility from fog, ice/snow conditions, freezing temperatures and strong winds.</p>	<p>The Öksüt Mine has addressed the challenges associated with extreme weather conditions, including enclosing its ADR facility to prevent the equipment from freezing and making minor modifications to other facilities to mitigate against high-wind events. In addition, to ensure the health and safety of its workforce, the mine has implemented new procedures to limit work in certain weather conditions; increased supervision during poor weather; increased road maintenance; conducted emergency weather drills; and established a 'Permit to Work' system.</p>

SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

Identified Risks and Opportunities	Explanation of Actual or Potential Impact	Mitigation Measure
<p>Reputational Risk <i>Reputational risks can impact mining companies' operations due to protests and blockades, as well as increase operating costs to facilitate stakeholder engagement activities.</i></p>	<p>Company</p> <p>Centerra has significant operations in regions that typically have environmentally conscious cultures, citizens and governments (British Columbia, the Kyrgyz Republic and Turkey).</p>	<p>In general, our reputational risks are mitigated by ensuring we are operating responsibly, which includes rigorous and transparent business practices, high standards for safety and environmental performance, and strategic community investments/developments in the regions where we operate or have projects.</p> <p>Our stakeholder engagement processes, led by site community relations teams, ensure that our stakeholders and project-impacted Indigenous groups are informed about our current activities and future plans.</p> <p>To ensure our environmental practices remain aligned with good international industry practices and to strengthen market credibility, we have publicly committed conformance with the World Gold Council's Responsible Gold Mining Principles (RGMPs) and received our Year 1 assurance (and Year 3 assurance at Öksüt) in November 2020.</p> <p>Our investor relations program and annual ESG reporting are key tools used to ensure that our stakeholders and other interested groups understand the measures we take to mitigate our environmental impact.</p>

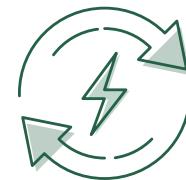
SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

Identified Risks and Opportunities	Explanation of Actual or Potential Impact	Mitigation Measure
Policy and Legal Risk <i>There are many regulatory efforts underway to reduce GHG emissions and meet the commitments of the Paris Agreement. This could result in increased compliance and operational costs and/or reputational risks for Centerra.</i>	Company Under the Paris Agreement, Canada has committed to reducing its GHG emissions by 40% – 45% reductions below 2005 levels by 2030 – and to achieving a net-zero emissions future by 2050. There were no emission-limiting regulations imposed in either the Kyrgyz Republic or Turkey in 2020. Please refer to the discussion on page 26 for further information on Canada's carbon tax strategy and climate-related regulation.	Our operating sites, namely Mount Milligan and Kumtor, utilized significant amounts of renewable power generation for their electricity consumption in 2020, thereby lowering Centerra's GHG emissions from electricity use. British Columbia generates close to 95% of its electricity from renewables. The Kyrgyz Republic generates approximately 90% of its electricity through hydropower. Our ongoing climate change work is aligned with the TCFD. In 2021, we verified our 2020 Scope 1 and Scope 2 GHG emissions.
Resource Efficiency Opportunities	Company Improvements to the resource efficiency of the Company's heavy equipment and mobile vehicle fleets could reduce operational costs for Centerra. A significant portion of Centerra's fleet is powered by diesel, increasing exposure to this opportunity. There also exist opportunities to improve the water efficiency of operations (e.g., reduced use of water in milling processes, improved water treatment and recycling to reduce freshwater consumption).	Across our operations, efforts are made to improve the resource efficiency of our operations. For example, at Kumtor, whenever possible, we actively switch from diesel generators to grid electricity for such uses as mine-site lighting, dewatering pumps and other equipment. To manage our truck fleet energy consumption, we have transitioned to more fuel-efficient engines and have implemented a program to reduce engine idling on parked vehicles. In addition, we recognize the importance of water conservation measures throughout our operations. For example, at the Mount Milligan Mine, water is recycled from the TSF and is used for processing ore in the mill. In 2020, approximately 72% of our process water was recycled. Refer to Section 2.5 for further information on our water management strategies.

SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

Identified Risks and Opportunities	Explanation of Actual or Potential Impact	Mitigation Measure
Energy Sources Opportunities	Company	<p>Energy is one of Centerra's top operational costs and there is an opportunity to decrease energy costs and associated GHG emissions by diversifying existing energy sources to less expensive and/or lower emitting sources and/or electrifying processes.</p> <p>Our operating sites, namely Mount Milligan and Kumtor, utilized significant amounts of renewable power generation for their electricity consumption in 2020, thereby lowering Centerra's GHG emissions from electricity use.</p> <p>At the Mount Milligan Mine, we have replaced diesel-powered generators and pumps with grid-connected electric equipment (overhead powerlines). Electricity provided via these powerlines is used to pump water from groundwater wells at Philip Lake and Lower Rainbow Valley to the TSF. Together, these projects will help Mount Milligan Mine avoid close to 8,875 tCO₂e annually.</p>

Centerra's energy management and renewable energy usage also help mitigate the Company's risk related to GHG emissions and climate change. For further information refer to [Section 2.3 Energy Management](#).



Electrification projects implemented in 2020 will help the Mount Milligan Mine avoid close to 8,875 tCO₂e annually

**CASE STUDY**

Lower Rainbow Valley Well Field Electrification Project in British Columbia to Reduce Annual Operating Costs by over C\$1,000,000 and Reduce GHG Emissions by ~23,000 Tonnes by 2028

Mount Milligan requires use of permitted water to maintain mill processing operations. Water is sourced from surface water withdrawals from Philip Lake and Rainbow Creek as well as withdrawals from groundwater wells. Mount Milligan operates three groundwater wells located at Lower Rainbow Valley, pumping the water to the TSF for storage and use.

Located 3.5 km away from the mine's existing electrical distribution network, the Well Field did not have the infrastructure in place to operate by means of BC Hydro-generated electricity. As a result, the well pumps were originally powered by electricity generated from two 500 kW diesel-fired generators (one prime and one standby). The generators were costly and noisy to operate and emitted a substantial amount of GHG emissions when compared to electricity generated by BC Hydro.

Mount Milligan Mine sought to remove the diesel-fired generators located at the Lower Rainbow Valley Well Field by extending the mine's 25-kV overhead distribution network from

the mine facility to the Well Field. In early 2020, with a financial commitment from BC Hydro's Low Carbon Electrification Incentive Fund, Mount Milligan constructed the 3.5 km extension of the 25 kV electrical distribution network. With clean and reliable electricity available to operate the well pumps, Mount Milligan removed the diesel generators at Lower Rainbow Valley.

Transitioning from diesel generated electricity to BC Hydro will reduce annual operating costs by more than C\$1,000,000 and avoid approximately 23,000 tonnes of carbon dioxide equivalent emissions through to 2028 – equivalent to taking more than 7,000 passenger vehicles off the road for one year.

SECTION 2.2 GREENHOUSE GAS (GHG) EMISSIONS

SECTION 2.2.2 PERFORMANCE

In 2021, Centerra's Scope 1 and Scope 2 GHG emissions for the 2020 operating year were verified using the ISO 14064-3 standard for verification.

In 2020, carbon taxes accounted for 1.2% of Centerra's total production costs at Mount Milligan and totalled over C\$2.4 million. Centerra expects this to increase as British Columbia's carbon tax is expected to increase to C\$50 per tonne on April 1, 2022¹. Centerra's percentage of Scope 1 GHG emissions covered under emissions-limiting regulations was 22%, which represents the Scope 1 GHG emissions from the Company's Mount Milligan operations.

At Mount Milligan, our 2020 Scope 1 GHG emissions were 66,580 tonnes CO₂e compared to 65,740 tonnes CO₂e in 2019, representing a nominal increase of 1.3%

At Kumtor, our 2020 Scope 1 GHG emissions were 269,160 tonnes CO₂e compared to 352,061 tonnes CO₂e in 2019. This 23.5% decrease in Scope 1 GHG emissions was due to decreased production at the Kumtor Mine resulting from the COVID-19 pandemic and does not indicate a trend at this point in time.

At Öksüt, our 2020 Scope 1 GHG emissions were 31,737 tonnes CO₂e compared to 18,712 tonnes

CO₂e in 2019, a 69.6% increase in Scope 1 emissions year-over-year. These numbers reflect the emissions by Öksüt's contractors as well, which represent 98% of fuel consumption at Öksüt. The increase in Scope 1 GHG emissions is attributed to Öksüt commencing commercial operations in 2020, which resulted in increased usage of vehicles and equipment.

In 2020, Centerra's total GHG emissions intensity was 0.50 per tCO₂e, which is below the industry average of 0.80 per tCO₂e; this is likely attributed to the low emissions intensity grids in Centerra's operating regions relative to the global average².

1 <https://www2.gov.bc.ca/gov/content/environment/climate-change/planning-and-action/sectoral-targets>

2 S&P Global Market Intelligence

Table 5. 2020 Global Scope 1 and Scope 2 GHG Emissions

The Scope 1 and Scope 2 emissions presented in Table 5 account for approximately 93% of Centerra's total global Scope 1 and Scope 2 emissions. Centerra's emissions from its molybdenum unit, development projects, exploration activities and several administrative offices are excluded from this inventory.

Tonnes CO ₂ e	Scope 1	Scope 2	Total	Percentage of Total
Kumtor	269,160	14,712	283,873	69%
Mount Milligan	66,580	23,867	90,447	22%
Öksüt	31,737	5,141	36,878	9%
Total	367,477	43,721	411,198	100%
%	89%	11%	100%	

Table 6. GHG Emissions Intensity¹

Per tCO ₂ e	2020	2019	Industry Average
GHG Emissions Intensity	0.50	0.59	0.80

1 Emissions intensity is calculated by dividing total amount of produced gold ounces by the total Scope 1 and Scope 2 emissions. The emissions intensity includes production of both gold and copper.

SECTION 2.3 ENERGY MANAGEMENT

SECTION 2.3.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

1. ENERGY MANAGEMENT AND EFFICIENCY

Our operating sites utilize energy for multiple activities: fuel (for heavy equipment, mobile vehicles and stationary combustion), electricity (for comminution and other mill processing operations) and explosives (for blasting).

Across our operations, our processing mills are the most electricity-intensive operation. For example, at Kumtor, our processing mill represents 80% of electricity consumption.

Our haulage truck fleets and other heavy and mobile equipment are also a significant consumer of energy at our operating sites. At Mount Milligan, the mine equipment, including our truck fleet and support equipment, represents 94% of our fuel usage, and at Öksüt, our haulage truck fleet and generators represent 97% of our energy usage. Kumtor's mine equipment uses approximately 91% of all fuel consumption. Fuel costs represent a significant cost component for Centerra's mining operations, representing 11% of production costs.

At Mount Milligan, through active collaboration between the site's environmental and continuous improvement teams, we evaluated energy-related solutions, delivery mechanisms and alternative technologies to achieve energy efficiency. In 2018

and 2019, a number of energy efficiency studies and projects were undertaken. In 2019, we received permission to build and operate a powerline to provide electrification for three water management substations that would replace the use of diesel generators. In 2020, construction of the powerline was completed for both the Philip Lake and Lower Rainbow Valley water pumping infrastructure (refer to [Section 2.2 Greenhouse Gas \(GHG\) Emissions](#) for more information on this initiative).

At Kumtor, whenever possible, we actively switch from diesel generators to grid electricity for such uses as mine-site lighting, dewatering pumps and other equipment. To manage our haulage truck fleet energy consumption, we have transitioned to more fuel-efficient engines and have implemented a program to reduce engine idling on parked vehicles. Additional energy conservation measures range from the installation of low-wattage, high-efficiency lighting systems, better insulation in camp buildings, and encouraging behavioural employee changes through continued education and awareness sessions.

At Öksüt, our main energy management objective is to increase our energy efficiency. We use a Variable Frequency Driver (VFD) starting system for our pumps which helps us eliminate pump starting currents and extend the pump life. In

addition, we have replaced our lighting fixtures and use those that require lower energy consumption throughout the facility and auxiliary facilities¹. At Öksüt, our energy management efforts are led by a certified energy management specialist.

We are developing a climate change strategy that will outline a strategy for managing our direct energy use.

2. LEVERAGING RENEWABLE ENERGY

Our operating sites, especially Mount Milligan and Kumtor, utilize significant amounts of renewable power generation for their electricity consumption, thereby lowering Centerra's GHG emissions from electricity use.

British Columbia generates close to 95% of its electricity from renewables². At Mount Milligan, 100% of our electric power is accessed from BC Hydro, a crown corporation responsible for generating, purchasing, distributing and selling electricity throughout the province of British Columbia.

The Kyrgyz Republic generates more than 90% of its domestic electricity production through hydropower and renewables contribute to 27% of the Kyrgyz Republic's energy mix³. The major source of the power supplied to Kumtor is from the grid-connected Toktogul Reservoir located on the Naryn River.

¹ To monitor our progress, we use a Power Management System. This system provides a platform that supports the automated monitoring and maintenance of the power distribution system at Öksüt. The system provides reliable, real-time, GPS time-stamped information such as voltage per phase, energy, demand data, etc. The system also provides a backup log of monitoring and control information of the system status for diagnostic and forensic purposes.

² [Canada's Renewable Power Landscape 2016 – Energy Market Analysis](#)

³ [Kyrgyzstan Energy Profile](#)

SECTION 2.3 ENERGY MANAGEMENT

Our use of renewable hydropower at Mount Milligan and Kumtor allows us to not only lower our carbon footprint but also mitigates our exposure from high energy costs and increasing utility prices.

Öksüt is grid powered and electricity is supplied by the Turkish Electricity Transmission Corporation (TEİAŞ). TEİAŞ purchases energy from both private suppliers (including wind turbines, solar panels, power plants, hydroelectric dams, etc.) and government-owned facilities such as dams or power plants. TEİAŞ determines a mix of renewable and non-renewable energy for the region for select periods and contracts appropriate energy suppliers.

3. MINIMIZING DISRUPTIONS

To manage our exposure from grid disruptions, our sites maintain standby generator stations in case of power outages. In addition, at Öksüt, the site draws energy from two electricity substations. As such, if one substation fails, energy can be sourced from the other substation.

SECTION 2.3.2 PERFORMANCE

At Mount Milligan, our 2020 energy consumption was 3,063,068 GJ compared to 2,835,176 GJ in 2019, a 7.4% increase in energy use which was attributed to increased production and recycling of waste rock for the construction of roads and embankments within the TSF.

At Kumtor, our 2020 energy consumption was 4,740,841 GJ compared to 5,876,744 GJ in 2019, a

19.3% decrease in energy use. The decrease was due to impacted production at the Kumtor Mine resulting from the COVID-19 pandemic and does not indicate a trend at this point in time.

At Öksüt, our total energy consumption in 2020 was 478,552 GJ compared to 262,633 GJ in 2019, an 82.2% increase year-over-year. This increase is in line with expectations and is attributed to Öksüt commencing commercial operations in 2020, which resulted in increased usage of vehicles and equipment.

In 2020, there were two power outages at Kumtor and one power outage at Mount Milligan. At Kumtor, these outages only partially impacted select operations for several hours each at which time full power was restored. The power outages did not result in a significant adverse financial or operational impact to Kumtor or Mount Milligan.

Table 7. 2020 Energy Consumption by Type

Energy Basis (HHV) GJ	Diesel	Gasoline	Propane	Liquefied Natural Gas	Diesel – Explosives	Electricity	Total	% of Total Energy Consumption
Kumtor	3,647,022	20,675	0	0	34,640	1,038,504	4,740,841	57%
Mount Milligan	864,360	20,247	21,706	0	14,045	2,142,710	3,063,068	37%
Öksüt	427,977	0	0	6,552	3,874	40,149	478,552	6%
Total	4,939,360	40,921	21,706	6,552	52,558	3,221,364	8,282,461	100%

SECTION 2.3 ENERGY MANAGEMENT

Table 8. 2020 Renewable vs. Non-Renewable Energy Consumption¹

(HHV, GJ)	Non-Renewable (GJ)	Non-Renewable (%)	Renewable (GJ)	Renewable (%)	Total
Direct Energy Consumption – 2020					
Mount Milligan	920,358	100%	0	0%	920,358
Kumtor	3,702,336	100%	0	0%	3,702,336
Öksüt	438,403	100%	0	0%	438,403
Indirect (Electricity Consumption) – 2020					
Mount Milligan	2,142,710	100%	0	0%	2,142,710
Kumtor	1,038,504	100%	0	0%	1,038,504
Öksüt	40,149	100%	0	0%	40,149

¹ At Mount Milligan and Öksüt, we are 100% grid powered and at Kumtor, we are 99% grid powered. Both B.C. and the Kyrgyz Republic are significantly reliant on hydropower. At Öksüt, in 2020, approximately 15% of the energy supplied by the Turkish Electricity Transmission Corporation (TEİAŞ) was from renewable energy facilities. SASB's methodology only considers renewable energy that is within the control or influence of the organization demonstrated through power purchase agreements (PPAs) that explicitly include renewable energy certificates (RECs) or Guarantees of Origin (GOs). As such, Table 8 reflects this methodology, yet it is important to note that renewable energy plays a significant role in Centerra's energy consumption.

SECTION 2.4 AIR QUALITY

SECTION 2.4.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

1. AIR QUALITY REGULATORY LANDSCAPE AND PROJECT FINANCING REQUIREMENTS

We actively manage the risks associated with air quality and non-GHG air emissions by striving toward compliance with regulatory and internationally suggested limits.

The Mount Milligan Mine aims to be compliant with both provincial and federal legislation and standards. From a national perspective, we adhere to Canada's Ambient Air Quality Standards which have been published under the Canadian

Environmental Protection Act and set a standard for outdoor air quality targets. These standards are mirrored at a provincial level through the British Columbia Environment Management Act. Processes for compliance and monitoring are outlined in our Air Quality and Fugitive Dust Management Plans and Refuse Incinerator Management Plan.

The Kumtor Mine aims to be compliant with technical limits established by the Law on Environmental Protection in the Kyrgyz Republic. These limits are referred to as maximum allowable emissions (MAEs) for airborne emissions and are set on an annual basis by the State Agency on

Environmental Protection and Forestry (SAEPF). The SAEPF conducts annual inspections to assess the mine's compliance with the MAEs.

The Öksüt Mine aims to be compliant with both national regulations and project financing requirements by the EBRD, IFC and Turkish national regulations, namely the Turkish National Regulation on Control of Industrial Air Pollution and EBRD Performance Requirement 3: Resource Efficiency and Pollution Prevention and Control. During the environmental impact assessment, standards were set for the project which reflected both national and EU limits.

SECTION 2.4 AIR QUALITY

2. AIR QUALITY MONITORING AND REPORTING

We routinely monitor the air quality at Mount Milligan, Kumtor and Öksüt. Air quality monitoring is completed by monitoring stations located strategically around each mine site. As part of the monitoring program, and to meet permit requirements at some facilities, site samples are regularly sent to accredited laboratories for analysis.

At Mount Milligan, ambient air monitoring includes meteorological monitoring, dustfall monitoring, and fine particulate and plant metal update monitoring. Mount Milligan owns and operates a meteorological weather station for the continuous monitoring of on-site air temperature, relative humidity, wind speed, wind direction and precipitation. The weather station also includes a fine particulate monitoring device that runs every three days (Partisol station). The station measures the volume of PM10 and PM2.5 in the air over a 24-hour period.

The Mount Milligan fugitive dustfall monitoring program consists of five air quality stations and one ambient air quality monitoring station. All dustfall stations were active throughout 2020 and are equipped with dustfall monitoring canisters to collect potential fugitive dust emissions from the project site.

At Kumtor, air monitoring stations measure total suspended particles (TSP) levels around the mine site. Samples from the monitoring stations are collected once every six days. In addition to dust, select samples are also analyzed for various metals and compounds, including cyanide, sulphur, arsenic, nickel, selenium, zinc, uranium, radium-226 and strontium-90.

At Öksüt, air quality monitoring includes meteorological monitoring and settled dust (TSP) and fine particulate monitoring. There are eight air quality monitoring and measurement stations located strategically throughout the mine site and in nearby villages.

Öksüt monitors total suspended particles at minimum every month by measuring settled dust. In addition, the site measures suspended particulate matter (PM10, PM2.5) a minimum of every six days in two locations near the boundary of the permitted area. For significant fugitive dust, monitoring activities are completed through visual inspection and supplemented with direct readings of dust concentrations.

In addition, Öksüt measures hydrogen cyanide (HCN) both in the mine site and at monitoring points outside the mine site.

3. AIR QUALITY MANAGEMENT

In addition to air quality monitoring, air quality management is a critical component to ensure we remain compliant with our permits and obligations.

The Mount Milligan Mine actively manages fugitive dust. At Mount Milligan, potential sources of fugitive dust include haulage and other roadways, the tailings storage facility (TSF), ore stockpiles and the comminution/processing facilities.

Dust suppression watering is primarily used to control and mitigate fugitive dust for on-site roadways. In 2020, water was regularly drawn from the TSF and applied to haul roads within the TSF footprint on an as needed basis. Such dust suppression activities at Mount Milligan required approximately 59,507 m³ of water between May – October 2020. Typically, chemical dust suppressants are applied annually during dry periods at Mount Milligan to reduce water consumption for watering of roadways. At our processing plant, our crushing facilities are equipped with a water/misting sprinkler system and water sprays operate at the primary crusher. Other control and mitigation measures include progressive reclamation, which has proven particularly effective on inactive stockpiles.

SECTION 2.4 AIR QUALITY

The Kumtor Mine also actively manages fugitive dust through several control and mitigation measures. Work zones are watered down during mining and other operations at the mine, including hauling and loading operations. The open pit bench (batter) and berm faces are watered down before and after blasting. In addition, given that the Sarychat-Ertash State Reserve (“the Reserve”) is located adjacent to the mine site, regular monitoring of air is conducted in the northeastern part of the Kumtor concession area and in the northwestern part of the Reserve. Finally, transportation of employees to the workplace, as well as delivery of consumables and other materials, is conducted on the technological road that passes

through the Barskoon Valley. In order to avoid an increase in the dust level in the Barskoon Valley, the road was regularly serviced in 2020, including dust suppression using a water bowser.

At Öksüt, we have implemented appropriate control measures where potential for fugitive dust generation is significant, including soil stockpiles, highly trafficked roads, and especially for activities near sensitive receptors. Specific controls to manage dust include wetting and covering “powdery” materials transported on trucks; enforced speed limits; vehicle washing facilities at site exits; periodic wetting of the stockpiled material; and the restriction of vehicle usage in off-road areas and on informal tracks.

SECTION 2.4.2 PERFORMANCE

At Mount Milligan, during 2020, elevated fugitive dustfall results were noted at two monitoring stations during two discrete monitoring events. The combination of climatic conditions, increased vehicular traffic and short-term construction activities may have attributed to these elevated results. Measures to mitigate these guideline exceedances include frequent application of suppression water to roadways and access roads during the warmer months. During the summer months, the application of solidifying dust control reagents on frequently travelled access roadways has proven to be very effective in controlling on-site fugitive emissions.

In 2021, continued monthly dustfall monitoring will continue. Implementing best management practices, such as the application of water and controlling reagents on accesses and site roadways for the control and elimination of fugitive dust emissions, will continue.

At Kumtor, our total 2020 non-GHG air emissions, specifically carbon monoxide (CO), nitrogen oxide (NOx) and sulfur oxides (SOx), decreased from 2019 which was attributed to operational impacts from COVID-19.

At Öksüt, our 2020 non-GHG air emissions increased across all key pollutants, but all within permitting and ESIA-specified limits. However, this increase was fully expected and is attributed to Öksüt commencing commercial operations in 2020, which resulted in increased usage of vehicles and equipment across the site.

Table 9. 2020 Air Emissions by Pollutant

(Tonnes)	Mount Milligan	Kumtor	Öksüt
CO	134.9979	33.8993	307.42
NOx	56.7445	34.6981	8.65
SOx	0.3564	3.1195	69.83
Particulate Matter (PM10)	1,311.7016	N/A	
Particulate Matter (PM2.5)	1.9727	N/A	0.92
Mercury (Hg)	0.00112		N/A
Lead (Pb)	0.064376	0.02665	4.6
Volatile Organic Compounds	25.5753	0.1436	N/A

SECTION 2.5 WATER STEWARDSHIP AND MANAGEMENT

SECTION 2.5.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

1. WATER TREATMENT AND DISCHARGE

To protect water quality, all operating sites strive toward compliance with national regulations and permits. Our operating sites have integrated water management plans in place to reduce impact to the environment.

Mount Milligan is designed and permitted as a “zero-discharge” facility during operation, namely, the operation does not actively discharge any contact (process) water to the environment. The open pit water management program consists of surface water diversion ditches and horizontal drains in the pit walls. A seepage collection, containment and control system consisting of shallow pumping wells; a basin underdrain; collection ditches; and recycling ponds downgradient of the TSF embankment, are designed such that seepage through the dam structure is intercepted in the ditches, directed to the seepage collection ponds and pumped back into the TSF. Domestic wastewater is treated through a series of lagoon cells and a polishing pond prior to being discharged into the TSF.

In September 2020, the Kemess Underground Project successfully completed the commissioning and Performance Test of the first industrial-scale Selenium treatment plant utilizing the patented BQE Selen-IX™ process.

The Kemess Selenium treatment plant provides the ability for the project to reach end-of-pipe water quality regulations of less than 2 parts per billion for selenium, as well as intermittent and/or seasonal operations. With the site only requiring active water treatment during mine operation and closure, but not during care and maintenance, the new water treatment plant is not expected to operate until the site status changes.

At Kumtor, effluents (solutions comprised of waste substances from the mill processing) are treated at the effluent treatment plant (ETP). The purpose of the ETP is to treat excess tailings water that accumulates in the TSF. The ETP is designed to reduce cyanide and metal concentrations in tailing pond effluent prior to release to the environment. Due to the climatic conditions at the Kumtor Mine, the ETP only operates four to four-and-a-half months a year, from early June to early October, after the water in the TSF has melted, and ensures that discharge to the Kumtor River meets water quality objectives as stipulated by the relevant Kyrgyz environmental permits and Kumtor’s Environment Management Action Plan (EMAP). The effluent treatment system consists of three components designed for cyanide removal, metal removal, and polishing and pH adjustment before final discharge.

In addition, sewage wastewater is treated at the sewage treatment plant (STP) using standard processes of biological treatment and disinfection (chlorination). Biological treatment improves the water quality and chlorination eliminates potentially harmful bacteria.

At Öksüt, the site, including the heap leach pad and adsorption-desorption recovery (ADR) plant, is designed as a “zero-discharge” facility. The objective of this design is to contain contact (process) water within the facility. At the mine, contact water collects in the ponds and non-contact water is directed to the natural dry creeks (which only temporarily or seasonally fill with water as a result of heavy rainfall and/or snowmelt). The heap leach pad and ADR ponds have been designed with a double liner system and have a leak detection and recovery system to minimize the risks of seepage. The ponds have been designed to be sufficient for extreme precipitation events, plus maintain an extra safety margin. During drier times of the year, water collected in the overflow pond will be used as additional make-up water. The entire Öksüt Mine has monitoring and measurement procedures in place for comprehensive site water management.

2. PROTECTING WATER QUALITY: MONITORING, SAMPLING AND INSPECTION PROGRAMS

Our practices include:

- Regular monitoring and reporting on surface and groundwater quality and quantity;
- Data quality assurance protocols;
- Comparing annual trends to long-term predictions, especially in regard to metal leaching (ML) and acid rock drainage (ARD) potential; and
- Trend analysis against national and regional water objectives in relevant jurisdictions.

SECTION 2.5 WATER STEWARDSHIP AND MANAGEMENT

Mount Milligan has developed and implemented a Site-Wide Adaptive Management Monitoring Plan (SWAMMP), the purpose of which is to enable withdrawal of a sufficient volume of water from groundwater and surface water sources to support milling and processing activities while protecting fish, fish habitat and other aquatic resources in the lakes and watercourses. The SWAMMP relies on monitoring data from select locations to identify where groundwater, or surface water withdrawals, could result in changes to groundwater and surface water quality. Monitoring results are compared to proactive triggers and thresholds. When these triggers or thresholds are reached, water withdrawals are immediately reduced or ceased, and provincial regulatory bodies and qualified experts are notified.

In addition, Mount Milligan has also developed and implemented surface and groundwater water quality monitoring plans and programs to assess and proactively identify trends so that mitigation measures can be developed and implemented to prevent impacts. In 2020, water quality samples were collected from the permit-prescribed surface water monitoring sites and groundwater monitoring wells.

Kumtor incorporates both Kyrgyz legislation and specific international standards in its water quality management practices. While Kyrgyz water quality standards refer to total metal concentrations, international water quality standards are more commonly based on dissolved metals, which are more indicative of environmental impact and associated risks in mining.

At Kumtor, water quality is sampled and tested at points across the concession area. Sampling points were selected through a combination of legal obligations and additional commitments related to the site's environmental and social management obligations. For example, the site has a monitoring point located 1 km upstream of Naryn City, which is the nearest downstream community consuming water from the Kumtor River¹.

At Öksüt, the water quality monitoring program is evaluated under two distinct sets of commitments, the Turkish environmental impact assessment (EIA) criteria and the EBRD's environmental and social impact assessment (ESIA) criteria. At Öksüt, there are also surface and groundwater points involved in the water quality monitoring and sampling program. As per the EIA and international ESIA water quality assessment schedule, the monitoring operations are conducted on a monthly basis

whereas sampling is completed on a quarterly basis. Water samples are sent to laboratories approved by the Ministry of Environment and Urbanization (MoEU) and routinely, duplicate samples are sent to additional accredited laboratories for quality control purposes.

Across the three operating sites, monitoring results are processed and stored in the Company's cloud-based environmental database, which is programmed with relevant and applicable monitoring objectives for each site. In the event that a water quality result reaches a level near (e.g., warning) or exceeding (e.g., breach) an applicable water quality or other guideline, an automatic alert email is sent to the appropriate team. This allows for prompt investigation of cause, reporting and mitigation (if required). The data is also reviewed quarterly and identification of trends against requirements is completed to determine any mitigative actions required. Water quality results are compiled into monthly or annual reports, as required, and distributed to the appropriate government agency.

In addition to internal monitoring, sites are subject to external water quality testing by the relevant national government agencies.

¹ Due to the glacial origin of the surface water sources in the Kumtor project area, the water generally has elevated sediment (glacier flour) loading (suspended solids). This fine sediment powder is suspended in the water and absorbs and scatters varying colours of sunlight, resulting in the common "milky" turquoise appearance of glacial lakes. This naturally occurring condition was documented in the baseline monitoring prior to the start of Kumtor's operations. Elevated concentrations are also present in water quality results from Petrov Lake, the source of the Kumtor River, which is located upstream of the mine, and is not indicative of poor environmental performance, but rather natural glacial-fed waters.

SECTION 2.5 WATER STEWARDSHIP AND MANAGEMENT

3. WATER CONSERVATION INITIATIVES

We recognize the importance of water conservation measures throughout our operations.

At the Mount Milligan Mine, water is recycled from the TSF and is used for ore processing in the mill. Despite this, some of the water is lost to evaporation or trapped in the void spaces of the tailings, creating an annual external water requirement of $8\text{Mm}^3 - 10\text{Mm}^3$. In 2020, approximately 89% of the process water was recycled. In addition, typically during dry periods, dust suppressant reagents are applied to roadways to reduce roadway watering requirements.

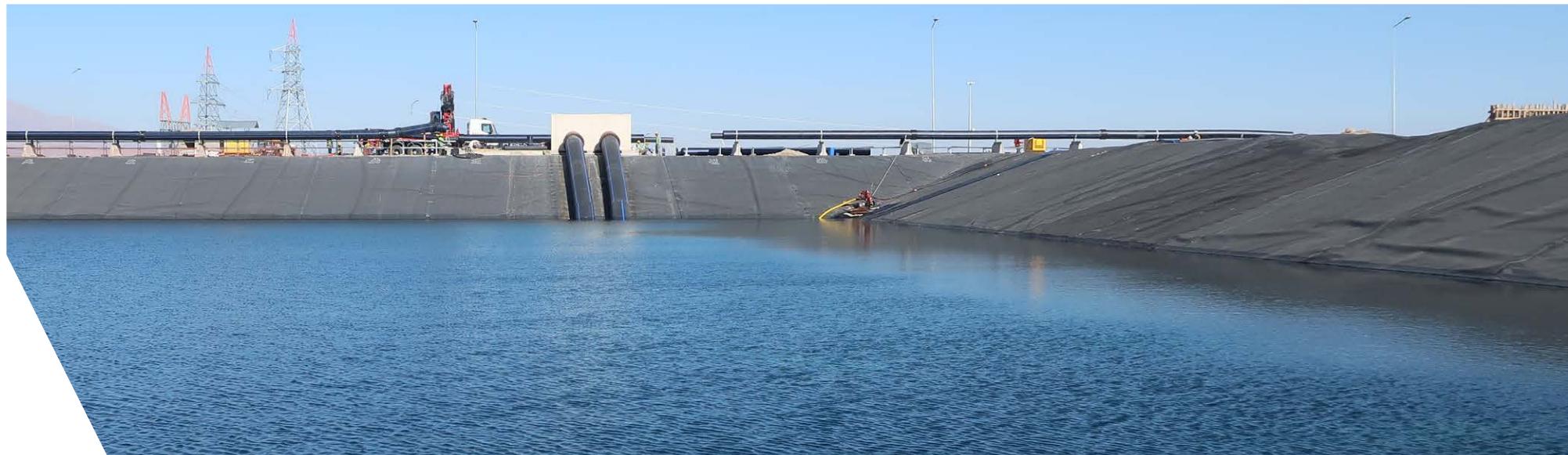
At Kumtor, approximately 97% of water is used for ore processing at the mill. Annually, approximately $7.2\text{Mm}^3 - 9.1\text{Mm}^3$ of water is recirculated in the mill and used primarily for grinding and flotation and leaching, as well as for some other beneficiation processes in the mill. The site also currently uses approximately 1.5Mm^3 per year of pit water in the processing mill.

At Öksüt, the operations use a heap leach facility. This facility has been designed to reuse water and solution continuously. The irrigation lines used on the heap leach pad are buried to minimize water loss to evaporation, therefore reducing the water

demand. In addition, the mine facilities drainage has been minimized by intercepting non-contact water (by diversion ditches and culverts) before it enters the mine facility.



In 2020, Mount Milligan recycled approximately 89% of its process water



**CASE STUDY**

Strengthening Community Water Access

We have a responsibility to ensure that we manage shared water sources with local communities of interest, especially in areas with high or extremely high baseline water stress. We work to improve access to water for the communities in which we operate. These efforts are led by our site sustainability and environmental teams, in collaboration with regional committees, and are often part of our strategic community investment initiatives.

Throughout 2020 at our Öksüt operation, as part of our strategic community investment and focus on regional livelihood support in the Develi District, we completed a potable water project for residents in the Gümüşören Quarter. Öksüt's investment was allocated to building a new 200-metre drinking well and connecting it to the existing water line, benefiting 625 community residents over the next 20 years of the well's life. A drinking water analysis was completed by local authorities which determined that the water quality was suitable for potable use.

In addition, in 2020, we collaborated with the local department of agricultural services and a local agricultural irrigation cooperative to repair and upgrade irrigation wells in the Epçe Quarter

that would more than double the local irrigated area from 125 hectares to 300 hectares, directly benefiting 150 farms. The project upgraded the open channel system and replaced it with a closed irrigation system that includes sprinkler and drip systems. The new system has the capacity to provide 120 litres of water per second, helping to eliminate 100% of water loss and decrease energy costs by reducing electricity requirements.

Throughout 2020, we also completed three potable water projects in the Issyk-Kul region of the Kyrgyz Republic. These projects focused on renovating the water supply system and construction of new reservoirs. Notably since 2013, over 40,000 community members have benefited from our contributions of over \$600,000 to safe drinking water projects in the Issyk-Kul region.

SECTION 2.5 WATER STEWARDSHIP AND MANAGEMENT

SECTION 2.5.2 PERFORMANCE

Centerra has received regulatory approvals to access additional surface water, until November 2023, and groundwater for milling operations, and has started the necessary studies and commenced consultation with Indigenous communities of interest to work toward a further, longer-term water solution for the Mount Milligan Mine. As at December 31, 2020, the site has in excess of six million cubic metres of water in inventory. In 2021, the Company does not expect any water constraints to operate the mine.

At Mount Milligan, the 2020 freshwater consumption was 7.0Mm³ compared to 7.59Mm³ in 2019, an 8% decrease. The decrease reflects the concerted effort to increase our recoverable seepage capture from several locations around the TSF. The recycling/reuse rate decreased to 70% from 75% in 2019. The decrease is due to the year-over-year change in climatic ground saturation and a change in the calculation method of reuse/recycle according to the updated ICMM definitions. The increase in water consumption in 2020 is attributed to improved mill availability, mill throughput and production, which led to increased void space losses of water to tailings. In 2020, our total water management costs at Mount Milligan were approximately \$9 million; thus, where possible, we strive to recycle/reuse water.

At Öksüt, the 2020 water consumption was 0.335Mm³ compared to 0.13Mm³ in 2019. This resulted in an increase of 158% in water consumption year-over-year, attributed to the increased water requirements related to the start of commercial operations at the site. In 2020, our ADR facility and heap leach area used recycled water, which accounted for 36.4% of our total water usage and decreased our dependence on freshwater sources.

The Öksüt Mine is in the Kayseri region, which is defined as an area of high baseline water stress by the World Resources Institute's (WRI) Water Risk Atlas tool. During the detailed engineering phase, optimal water use was considered in mine design and planning. In addition, the mine has completed additional detailed water studies with Turkish and international experts. Öksüt withdraws water from groundwater sources which are not considered by the Water Risk Atlas. Given this, current internal risk assessments demonstrate that access to groundwater is sufficient for Öksüt's planned operations. Integrated water management represents a significant annual operational cost across all Centerra sites.



We strive to improve our water performance with regulatory compliance, consultation with concerned stakeholders, including Indigenous groups, and focus on design and planning for optimal water use in the engineering phase

SECTION 2.5 WATER STEWARDSHIP AND MANAGEMENT

Table 10. 2020 Water Summary by Site

Mm ³	Total Water Withdrawn ¹			Total Water Discharged	Total Water Consumed (withdrawn minus total discharges)			Total Water Recycled/ Recirculated
	Total Freshwater Withdrawn	% from High/ Extremely High Baseline Stress	Total Other Water Withdrawn		Total Freshwater Consumed	% from High/ Extremely High Baseline Stress	Total Other Water Consumed	
Kumtor²	5.63	0	2.10	6.50	1.23	0	0	–
Mount Milligan	13.6	0	0	0	7.0	0	1.5	70%
Öksüt	0.335	100	0	0.0028	0.266	100	0	0%

1 The World Resources Institute's Aqueduct Water Risk Atlas defines water stress as "an indicator of competition for water resources and is defined informally as the ratio of demand for water by human society divided by available water." The Aqueduct Water Risk Atlas only considers surface water in its conclusions. Centerra's water risk assessments are conducted based on site-specific environmental impact assessments on both surface and groundwater by qualified professionals and guided by internationally accepted guidelines to understand water access and constraints.

2 In the 2019 ESG Report, Kumtor's water source (Lake Petrov) was incorrectly classified as a non-freshwater source. In this Report, this has been rectified to clearly represent that Lake Petrov is a freshwater source.

In 2020, there were no incidents of water quality (or quantity) non-compliances at Kumtor or Öksüt. At the Mount Milligan Mine, there were two incidents of water quality non-compliance but neither resulted in a formal enforcement action. For both incidents, the Mount Milligan Mine presented the appropriate regulatory body (the Ministry of Energy, Mines and Petroleum Resources, and the B.C. Ministry of Environment and Climate Change Strategy) with the site's remediation plan.

Table 11. Water Non-Compliances Resulting in Formal Enforcement Actions

# of Non-Compliances	2020	2019
Kumtor	0	1
Mount Milligan	0	0
Öksüt	0	0
Total	0	1

SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT

SECTION 2.6.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

As part of our mining cycle, mineral waste materials are generated. Waste materials generated from mining and processing include waste rock, overburden materials (excluding topsoil), exhausted heap leach piles and spent tailings.

1. ACTIVE MANAGEMENT OF TAILING STORAGE FACILITIES (TSFs)

Across our operations we actively manage six TSFs. Two facilities are currently active, two are under care and maintenance, one is entering the decommissioning and closure phase, and the final one is in the early stages of the full closure.

Centerra's TSFs have been designed by professional engineers and are constructed, operated and monitored under the guidance of an external Engineer of Record (EoR).

Centerra has developed a five-step process that is diligently applied and monitored at each site and includes:

STEP 1.

Site Monitoring Systems

Frequency: Continuous
Centerra's site teams use monitoring programs which may include but are not limited to piezometers, inclinometers, pressure gauges, monitoring prisms, seepage wells, thermistors and settlement plates to monitor the performance of the tailings dams, abutments, natural slopes and water levels. In addition, site teams rely on seepage flow rate measurement, impoundment pool monitoring and routine visual inspections and observation.

STEP 2.

Operational Staff Inspections

Frequency: Annual
Trained site personnel and technical staff perform daily inspections on each active TSF. The operations and site teams perform monthly inspections and review systems data to monitor the tailings facilities for cracking or other signs of potential instability. More frequent inspections are conducted following significant precipitation, wind, wildfire or seismic events.

STEP 3.

Annual Engineer of Record Inspections

Frequency: Annual
Annual safety inspections are completed by an external EoR. The EoR reviews the performance of the facility against the design criteria and submits reports to the site with prioritized action items for review as well as a proposed timeline to complete any required action items.

STEP 4.

Independent Third-Party Dam Safety Reports

Frequency: Every 5 years
In all jurisdictions (except Idaho, USA), a qualified independent tailings reviewer (different from the EoR and not a member of the Independent Tailings Review Board (defined in the next step) or equivalent externally appointed expert) periodically conducts an assessment of the tailings dam and issues a report to the EoR and Centerra that evaluates the performance of the tailings facilities.

In Idaho, an independent review of the Thompson Creek Mine tailings dam is carried out periodically by a panel comprised of regulatory agencies.

STEP 5.

Independent Tailings Review Board (ITRB)

Frequency: Annual
Each site, regardless of its facilities lifecycle, has an ITRB or an equivalent externally appointed expert. An ITRB comprises independent experts who work with Centerra and the EoR by conducting reviews of the design, operation, monitoring data and maintenance practices to evaluate the performance of the tailings facilities against the design criteria and to provide guidance and recommendations regarding these practices.

SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Tailings are not recycled at either Mount Milligan or Kumtor. The Öksüt Mine does not have a TSF as it is a heap leach facility.

In light of the recent global events and our commitment to public and environmental safety, in late 2019 Centerra formed a multi-disciplinary TSF Steering Committee ("the Committee"). The global Committee is comprised of:

- Senior management from Risk & Insurance, Capital Projects & Technical Services, Sustainability & Environment, and Investor Relations;
- General Managers and/or tailings engineers from sites; and
- Subject matter experts in areas such as water management.

The Committee is mandated to:

1. Strengthen Centerra's internal and external tailings risk management procedures.
2. Monitor the development of emerging regulatory requirements and international best practices.

Our [2020 TSF Disclosure](#) contains Centerra's Mine Tailings Disclosure Table aligned with the Church of England and Swedish Council of Ethics Information Requests.

In early 2020, the Committee initiated a project to implement a comprehensive risk management framework to capture and document the key components of how risk is managed at each of our tailings facilities. The initial baseline reports for each site are expected to be completed in 2021 and will be updated regularly to ensure we are implementing best practice in tailings risk management.

In 2020, the Committee also initiated a formal review of the newly developed UN PRI/ICMM Global Tailings Standard and commenced a gap assessment at all sites with tailings facilities.



SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT

2. MINERAL, HAZARDOUS AND NON-HAZARDOUS WASTE MANAGEMENT

All operating sites categorize different streams of waste by classification according to criteria and based on internationally accepted regulations, guidelines and methodologies. This ensures that we maintain strict control of procedures to mitigate any harm to the environment or our employees.

Each operating site has procedures and plans for waste rock, hazardous waste and non-hazardous waste management, with more detailed plans developed as required by applicable regulatory and legal requirements.

All site-specific management plans emphasize safety protocols and environmental protection with specific procedures for all stages of material handling: transportation, storage, inventory, training, spill response and spill reporting. Waste segregation and tracking is routinely conducted at all sites and wastes stored on site are securely contained and monitored pending further treatment, transportation and/or disposal.

To reduce disposal volumes to the landfill and overall generation of wastes, all sites follow the reduce, reuse and recycle principles in day-to-day operations. In addition, employees at all operating sites are made aware of expected waste management and segregation practices during the on-site environmental orientation. In addition, the environmental department provides constant support and ongoing awareness across the sites.

2.A. WASTE ROCK

At Mount Milligan, waste rock is either used for TSF dam construction or waste rock that is potentially acid generating (PAG) is stored within the TSF to comply with environmental approvals requirements. The use of overburden and non-acid generating (NAG) waste rock to build the downstream TSF embankment eliminates the need for conventional waste rock dumps at Mount Milligan. Material remaining after construction requirements is placed in storage areas that meet long-term containment requirements.

At Kumtor, waste rock is deposited in waste rock dumps within the concession area. In accordance with the Kyrgyz Republic's Law on Subsoil Protection, as well as industrial safety standards, Kumtor's waste rock dumps have sufficient storage capacity and are located at a minimum distance from the open pit cutbacks. Mined waste rock is not placed in areas where it could potentially sterilize mineralization nor where it can hinder mining operations and is always placed in accordance with all safety requirements.

At the Öksüt Mine there is a waste rock dump that is designed and currently being operated as permitted.

2.B. NON-HAZARDOUS (DOMESTIC AND INDUSTRIAL) WASTE

Mount Milligan operates and maintains an on-site landfill for domestic and inert industrial refuse, such as wood and wood products, rubber, non-recyclable scrap metal, building construction debris, plastic and ash from the incinerator. Due to the remote location of Mount Milligan, limiting wildlife scavenging attractants is a focus. For this reason, domestic food waste is removed from site and disposed of at the landfill in Fort St. James, British Columbia. Finally, Mount Milligan sorts and transports all recyclable beverage containers to a facility within British Columbia.

Kumtor has an integrated waste management strategy which sets out a target of 100% recycling of industrial waste, reduction in the volume of solid domestic waste to be landfilled and 100% composting of food waste. Since 2014, not a single kilogram of industrial waste has been disposed of on site. Scrap metal, plastic, rubber, wood and wood products, paper, waste oil and other waste are removed from the mine and delivered to local partners to reuse and recycle. Non-hazardous domestic and hazardous waste is disposed of at two landfills that were designed and constructed in full compliance with all applicable Kyrgyz engineering and environmental requirements.

SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT

In 2017, a biodegradable waste processing station, or compost unit, was designed and constructed on the mine site. In 2020, 244,040 kg of food waste was processed, generating 63 tonnes of compost.

At Öksüt, non-hazardous wastes are temporarily stored on site in designated temporary storage areas and then disposed of off-site by a licensed contractor. Certain non-hazardous wastes, including paper, nylon, plastic, glass wood, metal scraps, waste oils and vehicle tires, are recycled at a local facility.

In December 2020, Öksüt was issued a [**Zero Waste Certificate**](#) by the Ministry of Environment and Urban Planning (MoEU). Turkey's Zero Waste Regulation requires companies to develop zero waste management systems aimed at proper waste separation and prevention and reduction of waste generation. There are four different zero waste certificates that are prescribed in the regulation; Öksüt has achieved its basic certification and will aim for gold (third tier) certification in 2021.

As per the regulation, provincial directorates of the MoEU will complete at least one inspection of Öksüt's zero waste management system during the certificate's validity period. Öksüt's current Zero Waste Certificate will expire in five years from the date of issuance.



In 2020, Öksüt was issued a Zero Waste Certificate by the Ministry of Environment and Urban Planning





Community Investment to Improve Waste Management

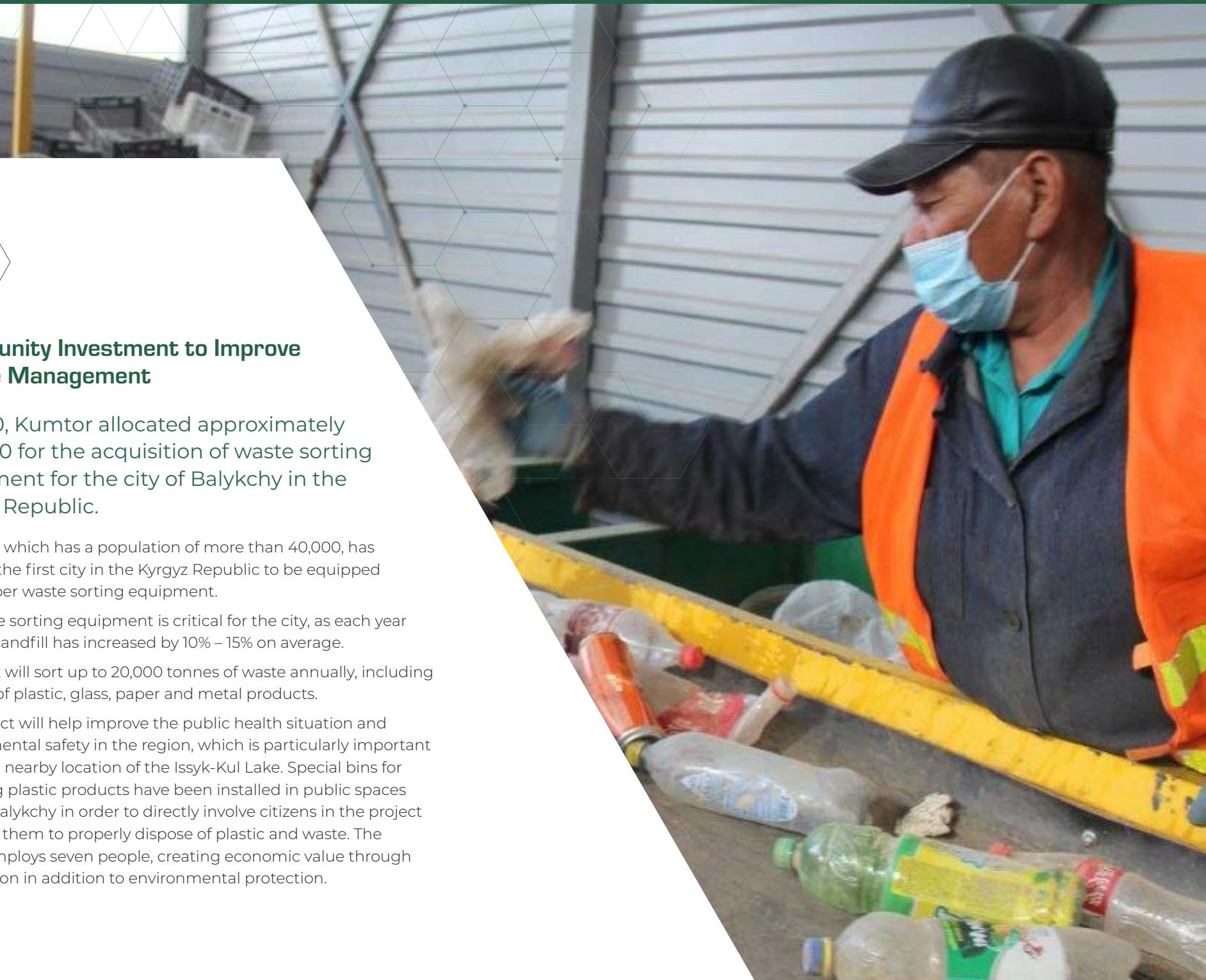
In 2020, Kumtor allocated approximately \$60,000 for the acquisition of waste sorting equipment for the city of Balykchy in the Kyrgyz Republic.

Balykchy, which has a population of more than 40,000, has become the first city in the Kyrgyz Republic to be equipped with proper waste sorting equipment.

The waste sorting equipment is critical for the city, as each year waste to landfill has increased by 10% – 15% on average.

The plant will sort up to 20,000 tonnes of waste annually, including all kinds of plastic, glass, paper and metal products.

The project will help improve the public health situation and environmental safety in the region, which is particularly important given the nearby location of the Issyk-Kul Lake. Special bins for collecting plastic products have been installed in public spaces around Balykchy in order to directly involve citizens in the project and urge them to properly dispose of plastic and waste. The facility employs seven people, creating economic value through job creation in addition to environmental protection.



SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT

2.C. HAZARDOUS WASTE

At the Mount Milligan Mine, for all hazardous waste materials, a contractor works closely with environmental staff to facilitate proper waste management and disposal of hazardous materials off-site in accordance with the B.C. Hazardous Waste Regulation (HWR) and federal Transportation of Dangerous Goods (TDG) regulations.

Kumtor has a Cyanide Management Plan that meets the requirements of the International Cyanide Management Code (ICMC or “Cyanide Code”) that covers transport, storage, use and disposal of cyanide. Kumtor is certified by the ICMC for transportation of cyanide from the Balykchy Marshalling Yard to the mine site, with its current certification expiring three years from December 18, 2018.

The Öksüt Mine uses sodium cyanide (NaCN) to extract gold. The processing operation at the site was designed to utilize a state-of-the-art NaCN storage and handling system offered by German supplier CyPlus® GmbH. Their proprietary CyPlus® Solid to Liquid System (SLS) was selected to minimize risks associated with the transportation and handling of sodium cyanide. CyPlus® was

a member of the multi-stakeholder Steering Committee and the first company worldwide that successfully performed a pre-audit based on the ICMC questionnaire. In June 2018, CyPlus® GmbH’s Wesseling cyanide plant passed its fifth certification in accordance with the ICMC. In addition, Öksüt conducted a route risk assessment on the transportation route to ensure it complies with stringent ICMC guidelines.

In 2020, Öksüt completed a Cyanide Code gap assessment that included a review of activities and practices concerning the acquisition of cyanide; responsible transportation; handling and storage; usage; decommissioning planning; workers’ safety; emergency planning; and community engagement. An action plan has been developed to become fully compliant with the Cyanide Code. On June 26, 2020, Öksüt became a signatory to the Cyanide Code, beginning the certification process. As prescribed within the Cyanide Code, Öksüt will complete the verification and audit process within three years of the certification date.

SECTION 2.6.2 PERFORMANCE

In 2020, Mount Milligan generated 22.0Mt of waste rock and recycled 99% of mine rock waste for roads, dam building and backfill. In 2020, Mount Milligan generated 5,264 tonnes of industrial waste and recycled 67%. Due to COVID-19, strategies to limit person-to-person contact and increased sanitation were implemented. As a result, the amount of waste landfilled off-site (which includes food waste) increased 14% since 2019 and recycled beverage containers increased 13% since 2019, respectively.

In 2020, Kumtor generated 98.65Mt of waste rock compared to 141Mt in 2019, a 30% decrease attributed to the production impacts from COVID-19. In 2020, Kumtor generated 4,028 tonnes of industrial waste down from 6,491 tonnes in 2019, a 38% decrease attributed to the production impacts from COVID-19². In 2020, 100% of industrial waste was recycled. In 2020, Kumtor generated 11.5Mt of tailings waste, a decrease from 12.43Mt in 2019, a 7.5% decrease in generated tailings³.

At Öksüt, 2020 was the first year that the site published waste data around waste rock and hazardous waste produced. A trend analysis will be provided in future years.

¹ Tactics that increased the amount of refuse generated on site included providing medical grade, disposable masks to employees, replacing all metal cutlery and dishes with disposable versions, prohibiting the use of reusable beverage containers, and ensuring all employees wear disposable plastic gloves during food services.

² At Kumtor, there are three major types of waste (not including waste rock and tailings) resulting from the mine operation: solid domestic waste, industrial and hazardous waste. Solid domestic waste includes food waste, various types of packaging, as well as other out-of-service household items. Industrial waste includes scrap metal, waste tires, plastic, waste oil and fluids, and other low-hazard waste generated in large volumes and subject to recycling and further use as a secondary raw material. Hazardous waste includes packaging materials, polypropylene bags and wooden boxes used for transportation of toxic agents, batteries, mercury lamps, medical waste and expired reagents. An important part of effective waste management is the accurate reading of waste generation.

³ The 2019 ESG Report incorrectly stated that Kumtor had generated 6Mm³ tonnes of tailings waste and should have stated that 12.43Mm³ tonnes of tailings were generated.

SECTION 2.6 WASTE AND HAZARDOUS MATERIALS MANAGEMENT**Table 12. 2020 Total Waste Generation and Recycling Summary**

Tonnes	Mount Milligan	Kumtor	Öksüt
Total Weight of Waste Rock	22,042,653	98,645,265	12,537,092
Total Weight of Waste Rock Recycled	21,741,760	0	0
Percentage of Waste Rock Recycled	99%	0	0
Total Weight of Industrial Waste	5,264	4,029	0
Total Weight of Industrial Waste Recycled	3,541	4,029	0
Percentage of Industrial Waste Recycled	67%	100%	0
Total Weight of Tailings Produced	20,118,400	11,503,953	N/A
Total Weight of Hazardous Waste Generated	320,303	482	45.938
Total Weight of Hazardous Waste Recycled	303,627	13.04	45.938
Percentage of Hazardous Waste Recycled	95%	2.7%	100%

Table 13. Tailings Classification System

	Canadian Dam Association Classification	MSHA Equivalency Classification
Kumtor	Very High	High Hazard Potential
Mount Milligan	Very High	Significant Hazard Potential
Kemess South	Very High	High Hazard Potential
Thompson Creek Mine¹	Very High	High Hazard Potential
Endako #1¹	High	High Hazard Potential
Endako #2¹	High	High Hazard Potential
Endako #3¹	Significant	High Hazard Potential

Refer to [page 45](#) of this Report for a description of Centerra's five-step process in managing its tailings facilities.

Centerra's TSFs are managed to maintain structural performance and ensure worker, environmental and public safety. Centerra's TSFs are designed in accordance with all applicable dam safety regulations and requirements. In addition, operation of the TSFs is informed by, and routinely checked against, guidance from the Canadian Dam Association and the International Commission on Large Dams.

¹ Molybdenum property, currently on care and maintenance.

SECTION 2.7 BIODIVERSITY

SECTION 2.7.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

1. BIODIVERSITY MANAGEMENT AND REGULATORY COMPLIANCE

Both Kumtor and Öksüt have developed, and maintain, a Biodiversity Management Plan (BMP) that outlines their approach to managing biodiversity risks, including a governance framework, monitoring procedures and KPIs that performance is measured against. Mount Milligan has stand-alone topic-specific plans that together constitute the main components of a BMP, including wildlife management, environmental effects, fisheries management, cultural heritage plan, invasive plant management, landscape, receiving water quality, soil and vegetation management, and reclamation and closure plan.

Each site reviews their BMPs ("the Plans") regularly, every one to five years, to ensure the Plans continue to reflect the main risks and opportunities of each site. All sites have developed and implemented employee training programs on biodiversity awareness, management of biodiversity information and data, and procedures for documentation and record keeping, including annual regulatory and stakeholder reporting.

The Plans are developed in accordance with all applicable regulatory and permitting obligations set out by the operating jurisdiction and good international industry practices (GIIP). At Öksüt,

the BMP exceeds Turkish regulatory requirements to meet EBRD and IFC performance requirements. These action plans detail how the site conforms with the mitigation hierarchy specifically to avoid, minimize, mitigate or compensate for significant adverse impacts on the environment relating to our activities.

To ensure the effectiveness of these Plans, each site has an environmental monitoring program.

At Mount Milligan, biodiversity monitoring is managed by a combination of site teams and external consultants and includes annual wildlife and fish enumeration studies. The annual fall fish enumeration studies at Philip Creek and Rainbow Creek are a condition of the Site-Wide Adaptive Management Monitoring Plan (SWAMMP). These studies help us assess effects on the mountain whitefish population in these waterbodies from medium-term operational water withdrawals. Mountain whitefish, which are valued by local Indigenous groups as sport fish, lay eggs that incubate over winter and are thus susceptible to effects of decreasing lake water levels during winter months.

At Kumtor, biodiversity monitoring on botany, hydrobiology, birds and mammals is carried out by experts from the Institute of Biology and Soil Sciences from the National Academy of Sciences of the Kyrgyz Republic.

At Öksüt, during the construction phase and continuing in operations, biodiversity monitoring is conducted collaboratively between the environmental team, external consultants, and local universities and professors.

At all operating sites, biodiversity activities and programs are developed in collaboration with local communities, Indigenous groups (if applicable) and biodiversity experts, including botanists and ornithologists. At our project and operating sites in British Columbia, we engage with the relevant Indigenous groups to incorporate Traditional Ecological Knowledge (TEK) into our biodiversity, reclamation and environmental stewardship planning.

2. PROTECTION OF LEGALLY DESIGNATED AREAS, KEY BIODIVERSITY AREAS AND ENDANGERED OR OTHER AT-RISK SPECIES

We neither explore nor will develop new mines in UNESCO-recognized World Heritage sites. In addition, we respect legally designated protected areas and areas designated as Key Biodiversity Areas, we avoid negative impacts on threatened and protected species, and also respect tangible and natural cultural heritage. These commitments apply from exploration into operations and through to mine closure.

SECTION 2.7 BIODIVERSITY

Protection of Cultural Heritage

At Mount Milligan, Kumtor and Öksüt, we have instituted a formal screening process and checklist that is completed prior to the start of any exploration targets outside our permitted license area or areas within the permitted area that have been previously undisturbed. This ensures that any new exploration meets our environmental commitments and safeguard criteria.

At Mount Milligan, this process also includes a cultural heritage assessment involving provincial Heritage Act permit applications and field assessments. For exploration drilling projects at Mount Milligan, our exploration team completes an internal Environmental Permit to Disturb application, including an environmental risk assessment¹.

Öksüt has a formalized EBRD/IFC-compliant Cultural Heritage Management Plan and Chance Find Procedure that upholds the Turkish Law on Protection of Cultural and Natural Assets and includes working with Kayseri Museum and local archaeological experts.

Protection of Endangered and Other At-Risk Species

To protect endangered and threatened species within or near our permitted area, we have comprehensive monitoring and protection programs across our sites. Activities may include:

- Defining corridors of movement and migratory patterns of key species, including through and/or near our permitted and exploration areas;
- Daily monitoring of all avian and mammalian wildlife on our TSF and its immediate surroundings;
- “No hunting” policies within all our permitted areas; and
- Recording the number of animals and birds in the permitted area.

At Mount Milligan, we developed the Fisheries and Habitat Compensation Plan during project permitting and development. Compensatory works were implemented between 2011 and 2017 to mitigate potential biodiversity losses.

The effectiveness of the compensatory works are reviewed annually and a report is distributed to the federal Department of Fisheries and Oceans (DFO)

and provincial Ministry of Energy, Mines and Low Carbon innovation (EMLCI). Further information on the 2020 effectiveness monitoring program can be found in [Centerra’s CDP Forests Questionnaire](#).

Öksüt’s permitted mine area is significant for the conservation of species. To ensure that the biodiversity of the Develi region ultimately benefits from Öksüt’s presence in the region, the site’s goal is to have a net positive impact on the biodiversity of the Develi region. Öksüt aims to reach this goal during the mine closure but will seek opportunities to achieve net positive impact as early as practicable during the operational mine life.

Öksüt has a Biodiversity Offset Management Plan (BOMP) which aims to ensure that residual and unavoidable impacts on priority biodiversity features (PBFs) and critical habitats (CHs) resulting from the mine’s activities after the application of the mitigation measures will be offset in accordance with EBRD Performance Requirement 6 (PR6). The offset target for each species derives from the calculation of the net loss. To consider uncertainties and the need to provide a safety buffer, the offset requirement was calculated as 150% of net loss biodiversity values for CHs and as 120% of net loss biodiversity values for PBFs.

¹ The risk assessment considers environmental hazards and mitigation for all aspects of the project from exploration to reclamation including spills, erosion, removal of brush and trees, archaeological assessment, bird nesting periods and other wildlife habitat considerations, and protection of natural waterways. The permit is reviewed and must be approved by the site’s environmental team in advance of any work being undertaken and also to ensure any authorizations are applied for and in place, as required. Finally, all employees and contractors are trained in and provided a copy of the Mount Milligan Archaeological Chance Find Procedure.



Since Kumtor helped establish the Sarychat-Ertash Nature Reserve in 1995, the number of argali (a species of wild mountain sheep), a near threatened species, has tripled in size in this area.



SECTION 2.7 BIODIVERSITY

Offset activities include the protection of existing populations (fencing existing populations to protect from excessive grazing and trampling), reintroductions and direct translocation or seeding for wild stock populations of vulnerable flora, enrichment planting of existing forested areas, and reforestation of selected areas along the mine fence line. Further information on the 2020 offset measures at Öksüt can be found in Centerra's CDP Biodiversity Disclosure.

At Kumtor, the operations are adjacent to the Sarychat-Ertash Nature Reserve (SCER), comprising 135,000 hectares. In order to protect the endangered wildlife of the SCER, which frequently move through the concession area, the site has maintained a strict no-hunting policy in the permitted area and provides annual training to all site employees on proper protocols for ensuring human and wildlife safety (including prompt notification to the environmental team when wildlife is spotted and decreasing vehicle speeds around wildlife) at Kumtor.

Since the establishment of the SCER in 1995, the number of argali (a species of wild mountain sheep), a near threatened species, has tripled in size in this area. As of January 2020, there are 3,250 argali, 1,889 ibex (a species of wild mountain goats), 20 brown bears, 13 snow leopards and 11 manuls living in the Reserve. In 2020, the

Institute of Biology and Soil Sciences from the National Academy of Sciences of the Kyrgyz Republic concluded during their annual wildlife census report that Kumtor has taken appropriate wildlife protection measures as indicated by quantitative and qualitative data.

3. MINE CLOSURE AND PROGRESSIVE RECLAMATION

As part of environmental safeguards, we plan how we are going to close and reclaim the areas we mine before we start construction. In some cases, we progressively reclaim concurrently with mining operations. After mining has permanently ceased, we then fully decommission the sites and reclaim or continue to reclaim the site.

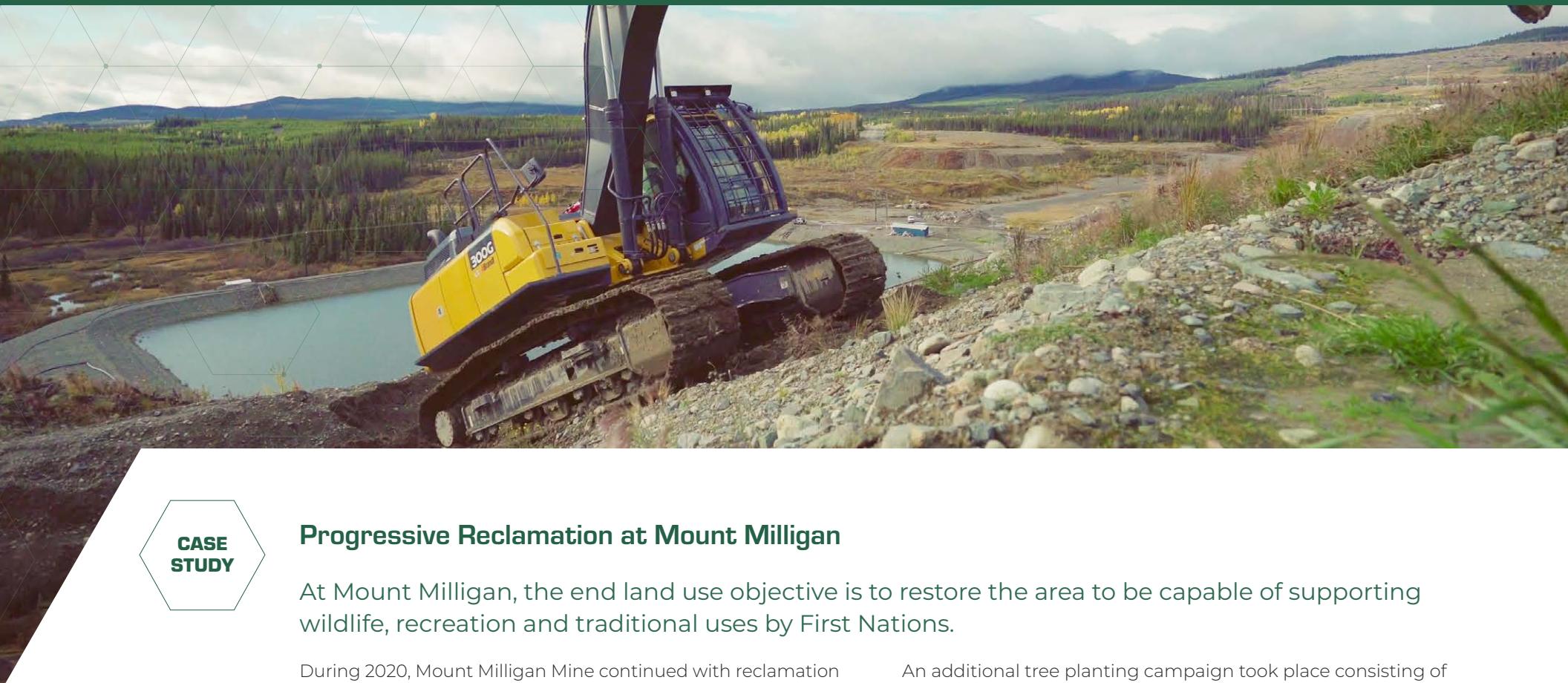
All our operations and care and maintenance sites have site-specific and detailed closure plans in place, depending on their current stage of operations. We adopt a strict regime for mine closure, including annual mine cost updates, and we review our conceptual closure plans on a regular cycle. We strive to align with the International Council on Mining and Metals (ICMM) Mine Closure framework.

At Kumtor, a trust fund has been set up for final mine reclamation measures. The reclamation trust fund is restricted for use and controlled by an independent trustee. We annually contribute

funds to the Kumtor Mine reclamation trust fund based on projected gold production in the year. As at December 31, 2020, the balance in the fund was \$47 million¹.

For our operations in North America, as at December 31, 2020, we provide financial assurance (surety bonds) for reclamation costs of approximately C\$52.6 million for the Mount Milligan Mine. Financial assurance is reviewed and adjusted on five-year cycles by external consultants and verified internally. As at December 31, 2020, for the Öksüt Mine, we estimate reclamation costs of approximately \$25.7 million. We also regularly update our final closure plans to reflect any changes in operations. Our standards for reclamation comply with both local and international standards and we utilise the industry known Standardized Reclamation Cost Estimator (SRCE) to determine robust, defensible closure cost estimates for all our sites.

¹ As part of the 2017 Strategic Agreement entered into with the Kyrgyz Government, the Kumtor Mine agreed to increase the rate of funding of the reclamation trust fund to a minimum of \$6 million per year until the fund reaches \$69 million. This amount of \$69 million was determined by an independent assessment of Kumtor's current reclamation costs and is broadly in line with our estimated reclamation costs for the Kumtor Mine. Refer to the subsequent event note on [page 2](#) for further information. Given the May 2021 events, Centerra no longer has operational control of the Kumtor Mine and cannot guarantee the future funding of the reclamation trust fund.

**CASE STUDY**

Progressive Reclamation at Mount Milligan

At Mount Milligan, the end land use objective is to restore the area to be capable of supporting wildlife, recreation and traditional uses by First Nations.

During 2020, Mount Milligan Mine continued with reclamation research trials and operational reclamation along sections of the TSF designed to foster establishment of native plant cover and to inform future operational reclamation strategies. Mount Milligan placed a growing order with a local nursery in the Peace River area for 880 willow seedlings that were grown from cuttings collected during the 2019 willow staking program on the TSF. Mount Milligan also placed a growing order with a native plant nursery in West Moberly for 5,040 Sitka alder and 2,000 fireweed seedlings for planting in the spring of 2020. Mount Milligan hired a crew of three tree planters to plant both the reclamation research trials and a portion of the dam under the supervision of a reclamation specialist. A total of four hectares (ha) of dam slope were planted in 2020.

An additional tree planting campaign took place consisting of planting 6,000 conifers at several locations around the mine site. These locations had previously received topsoil placement and surface preparation. These areas included sections along the Rainbow Forest Service Road and along disturbed areas along the waterline corridor and Lower Rainbow Valley Well Field.

Mount Milligan will continue to assess the survivorship and growth rates of the plants in the reclamation research trials and assess the site for additional opportunities for progressive reclamation.

SECTION 2.7 BIODIVERSITY

SECTION 2.7.2 PERFORMANCE

At Kumtor, technical assessments have determined that the site has a low probability for metal leaching (ML) and acid rock drainage (ARD). At Öksüt, ARD is predicted to have a potential for occurring and is thus being actively mitigated.

Table 14. Acid Rock Drainage

	Mount Milligan	Kumtor	Öksüt	Percentage of Mine Sites
Potential to Occur	Yes	No	Yes	66%
Actively Mitigate	Yes	No	Yes	66%
Under Treatment or Remediation	No	No	No	0%

Centerra's mineral reserves at its Kumtor Mine and Öksüt Mine are in or near sites with protected conservation status or an endangered species habitat. The Kumtor Mine is in the vicinity of the legally protected Sarychat-Ertash Nature Reserve as described on [page 55](#).

In addition, the Öksüt Mine is in the vicinity of several internationally recognized areas and the project area has endangered flora species. A powerline was constructed for Öksüt's operation that overlaps the Sultan Sazlığı Wetland by 1,469.75 ha. The physical footprint of the powerline is located within the periphery of the National Park ("the

buffer zone") and outside the Ramsar area, in an area that includes villages and other infrastructure and, as such, sensitive species like rare or threatened taxa and congregating and nesting birds are less likely to be found in these areas.

Refer to Centerra's 2020 [CDP Forests Questionnaire](#) for further information.

Table 15. Total Gold Mineral Reserves and Biodiversity¹

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)
Total Mineral Reserves in or near Sites with Protected Conservation Status or Endangered Species Habitat ²	10,803	1.41	488	85,816	2.41	6,660	96,619	2.30	7,149
Total Mineral Reserves	135,982	0.48	2,101	131,213	1.71	7,195	267,195	1.08	9,297
% of Mineral Reserves in or near Sites with Protected Conservation Status or Endangered Species Habitat	7.94%			65.4%			36.16%		

1 Mineral reserves as at December 31, 2020.

2 At Mount Milligan, there is potential for northern myotis and little brown myotis to be present in the area where the mine is reviewing life-of-mine water supply options. Northern myotis and little brown myotis are included in Canada's Species at Risk Act which lists the species in Canada which are extirpated, endangered or threatened species or a species of special concern. In British Columbia, these species are not listed as endangered species under provincial legislation. They are, however, afforded protections under the B.C. Wildlife Act. As such, Mount Milligan is not included in the calculation of mineral reserves in or near sites with protected conservation or endangered species habitat.

SECTION 2.7 BIODIVERSITY

Table 16. Total Copper Mineral Reserves and Biodiversity¹

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)
Total Mineral Reserves in or near Sites with Protected Conservation Status or Endangered Species Habitat	0	0	0	0	0	0	0	0	0
Total Mineral Reserves	125,179	0.23	624	45,397	0.21	213	170,576	0.22	837
% of Mineral Reserves in or near Sites with Protected Conservation Status or Endangered Species Habitat	0%			0%			0%		

¹ Mineral reserves as at December 31, 2020. Table 16 only represents the total copper mineral reserves at Mount Milligan.

At the Kermess Underground Project, currently a development stage project, we reported a Level III environmental incident in August 2020 following the death of 50 migratory (yellow warbler) birds. Due to inclement weather, a geotechnical drill rig was left unattended overnight. Low visibility combined with lighting from the drill rig attracted the migratory birds. The birds became disoriented and collided with the infrastructure. Upon discovery, the incident was immediately reported to government officials and First Nation partners as the incident was a contravention of the Migratory Birds Convention Act, 1994. The Canadian Wildlife Service issued Centerra a warning letter, which is the lowest form of notification. Following notification, Centerra immediately implemented a corrective action policy with site managers and contractors.

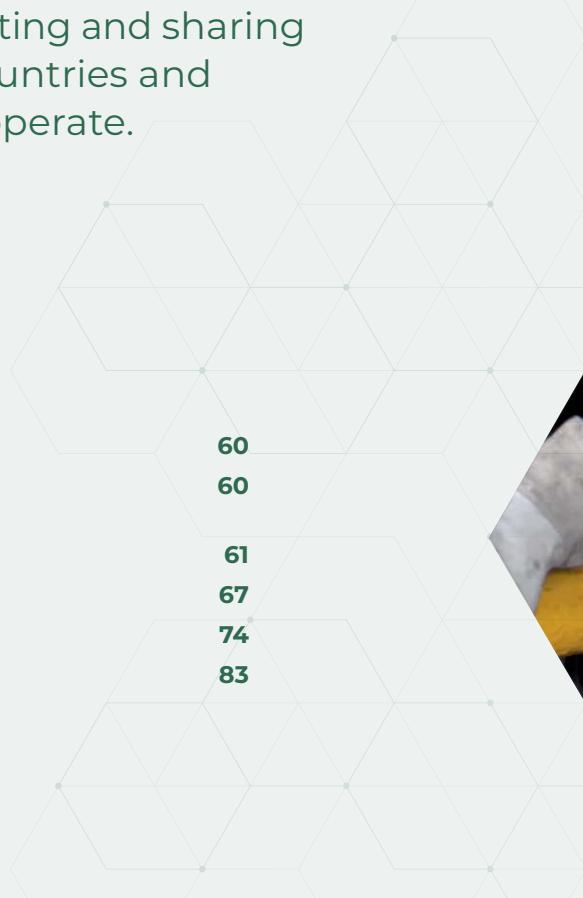
Section 3.

SOCIAL PERFORMANCE

We are committed to creating and sharing economic value in the countries and communities where we operate.

IN THIS SECTION

- 3. Social Performance**
- 3.1 Our Approach
- 3.2 Security, Human Rights and Rights of Indigenous Peoples
- 3.3 Labour Relations
- 3.4 Community Relations
- 3.5 Workforce Health and Safety



SOCIAL PERFORMANCE

Why Is this Important to Centerra?

Stakeholder engagement, strategic community investment and local content (local hiring and local procurement) strategies are critical to creating enduring social value – being a partner of choice and ultimately the ability to earn and maintain a *social license to operate* with the local and Indigenous communities.

Losing or damaging this social license to operate, through human rights, health and safety, or labour violations, would result in increasingly challenging operating conditions. In the most severe circumstances, social risks to the Company could result in a complete shutdown of operations or delays/disruptions in production due to community and local stakeholder opposition. Other social risks include decreased employee engagement and morale, and reputational damage, which could result in increased operational expenses, liabilities and loss of goodwill.

SECTION 3.1 OUR APPROACH

We are committed to respecting the values, rights, cultures and traditions of the local communities and Indigenous groups where we operate, and engaging in a transparent, consistent and accessible manner to build strong and resilient relationships.

Our approach considers creating, and equitably sharing, economic and social value in the countries and communities where we operate. Economic value may include direct contributions to national and regional governments, employee wages, direct and indirect taxes and mandatory payments, purchases of local goods and services, and strategic community investment programs.

Each site's activities and focus areas are determined by:

1. Findings of third-party social impact assessments (SIAs) during project permitting and/or the development of conceptual closure plans.
2. Stakeholder, community and Indigenous group engagement and formal agreements including Impact Benefit or Socio-Economic Agreements.
3. Regulatory requirements in the jurisdictions where we operate.
4. Social performance requirements set out by financiers like the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC).
5. International frameworks Centerra has adopted, including the World Gold Council's Responsible Gold Mining Principles and the Voluntary Principles on Security and Human Rights, and standards we seek general alignment against, including those developed by the International Council on Mining and Metals (ICMM).



ANALYST CORNER

[Centerra's Diversity, Equity & Inclusion Policy](#)

[Centerra's Employee Code of Ethics](#)

[Centerra's Health & Safety Policy](#)

[Centerra's Corporate Supplier Code of Conduct](#)



SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES

SECTION 3.2.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

Our approach to human rights is in alignment with the UN's Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, and the UN Guiding Principles on Business and Human Rights, and starts with internal policy setting and employee training. We believe that respecting and upholding human rights is fundamental to achieving our purpose of creating a positive legacy in the communities and regions where we operate.

There are no self-identified or formally recognized Indigenous peoples or Indigenous land in or near our permitted mine areas at Kumtor or Öksüt.

Mount Milligan is located within the traditional territories of a number of Indigenous groups. We work in partnership and close cooperation with Indigenous peoples to ensure effective representation and input of Indigenous groups on our proposed activities.

1. UPHOLDING HUMAN RIGHTS

Centerra is committed to meeting all regulatory labour requirements in the jurisdictions where we operate, as well as the fundamental labour rights set out by the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

We respect our employees' right to earn minimum and fair wages, work decent hours, freedom of association and work in an environment where all forms of forced or compulsory labour are eliminated, equal opportunities are promoted and safe working conditions exist. We strictly prohibit any forms of child labour.

We are firmly committed to eliminating and taking prompt remediation against any and all forms of discrimination or harassment that are identified.

We prohibit discrimination and harassment on any grounds, including a person's sex, age, race, national or ethnic origin, ancestry, place of origin, citizenship, creed/religion, colour, disability, marital status, family status, sexual orientation, gender identity, gender expression, or conviction for which a pardon has been granted.

Our Employee Code of Ethics sets out expectations for employees around compliance with laws respecting non-discrimination, harassment and ensuring a safe workplace. Employees may report concerns to their manager or regional Human Resources lead, if preferred. Alternatively, employees and any third parties with concerns around a potential infringement of employee rights have three mechanisms in which to report concerns in a confidential or anonymous manner. *More information on mechanisms to report concerns can be found in [Section 1.2.5 Business Ethics and Transparency](#).*

Our expectations extend beyond our employees and also include our suppliers. Centerra's suppliers must comply with applicable employment standards including labour, non-discrimination and human rights laws relating to, without limitation, wages, working hours, conditions and prohibition on child labour.

2. SECURITY AND HUMAN RIGHTS TRAINING

Centerra's security practices are aligned to the Voluntary Principles on Security and Human Rights (VPSHR), the UN Guiding Principles on Business and Human Rights and the articles set forth in the UN's Universal Declaration of Human Rights.

To ensure adherence to the VPSHRs, security and sustainability/community relations personnel across our operating sites receive training on these principles which involves a mixture of classroom training and knowledge checks. VPSHR training is provided to both employees and private security contractors.

The classroom training emphasizes the "Protect, Respect, Remedy" framework highlighted in the UN Guiding Principles. The primary role of Centerra's security team is to maintain the rule of law and safeguard human rights while deterring acts that threaten the safety of company personnel and assets. During the training, we stress that all people have fundamental rights to freedom, equality, justice and dignity and that our security team has a proactive duty to respect individual human rights and cannot knowingly or intentionally fail to act when a human rights violation is reported or observed.

SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES

Where necessary, other specific training may be provided to teams, including awareness on:

- Appropriate conduct, rules of engagement and the *use of force* continuum all based on internationally recognized law enforcement protocols such as the UN's [Code of Conduct for Law Enforcement Officials](#) and [Basic Principles on the Use of Force and Firearms by Law Enforcement Officials](#); and
- Basic conflict resolution techniques.

In addition to VPSHR training, we have implemented strict security operating procedures at sites to ensure community safety, including:

- Only hiring appropriately qualified and licensed security contractors;
- Conducting reference checks to ensure candidates do not have criminal records, a record of abuse or violation of human rights;
- Restricting possession of firearms and lethal ammunition on our sites, unless legally required; and
- Ongoing security contractor performance assessments.

Communities of interest, project-impacted stakeholders and relevant Indigenous groups have access to our community-based grievance mechanism to raise a grievance about any security-related (or other) behaviour not aligned with the VPSHRs.

3. BENEFIT SHARING AGREEMENTS WITH INDIGENOUS GROUPS

We work with Indigenous peoples to ensure effective representation and input of Indigenous groups on our proposed activities. This process starts during the exploration stage and continues throughout the full mine lifecycle. For example, we have entered into a Socio-Economic Agreement with McLeod Lake Indian Band and an Impact Benefit Agreement with Nak'azdli Whut'en.

We recognize that the landscape of Indigenous worldview and practices are important and we have developed principles of engagement with Indigenous peoples that are guided by several international standards and conventions.

Our engagement principles include:

- Build respectful relationships through early, inclusive dialogue and collaborative engagement processes;
- Integrate information from the results of Indigenous engagement to inform our management plans, in consideration of cultural heritage and environmental stewardship, and request Indigenous groups to review our plans;
- Support local content opportunities that provide Indigenous groups with benefits from our operations, including training and education;
- Create shared value with our Indigenous partners and local communities, support their development priorities and provide strategic social investments to build long-term self-reliance;
- Fair access to employment, procurement and business development; and
- Timely and proactive engagement with all Indigenous peoples that may be affected by our operations or activities in British Columbia, often above and beyond government-led consultation.

SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES

4. INDIGENOUS EMPLOYMENT AND CAPACITY BUILDING

We focus on economic empowerment through local employment and procurement opportunities, and collaborate with Indigenous business leaders, entrepreneurs and local Indigenous organizations to facilitate capacity building and resilience and maximize long-term economic opportunities.

In 2017, Mount Milligan developed a customized Pre-Employment Training and Education Readiness (PETER) program in partnership with McLeod Lake Indian Band, Nak'azdli Whut'en First Nation and the College of New Caledonia. The program ran successfully in 2018 – 2020, and is ongoing. From 2017 – 2018, five graduates of the program received full-time job offers at the Mount Milligan Mine.

Additionally, in 2019, Mount Milligan launched a Mining Experience (MiningX) pilot program for local high school students. The program consisted of a mining education component that focused on mining awareness and building relevant skills such as safety, leadership and interpersonal skills. In the 2019 – 2020 school year (September to June), six grade 12 students from two of the mine's local communities participated in MiningX.

Students undertook eight mining-related training modules, which covered topics such as Mining 101 (including a site visit to Mount Milligan), career exploration and job preparedness, fire safety, occupational first aid level 1, bear awareness, environmental monitoring, and mental health and awareness.

Graduates of the program were eligible to receive up to C\$8,000 in scholarships over four years.

5. CONFORMANCE WITH THE CONFLICT-FREE GOLD STANDARD

As members of the World Gold Council, we comply with the Conflict-Free Gold Standard.

SECTION 3.2.2 PERFORMANCE

Through our review of Turkey in the Heidelberg Conflict Barometer on a national level, Turkey was ranked at an intensity of level 4 (limited war) in 2020 and level 5 (war) in 2019 and 2018. However, through a regional analysis of the Heidelberg Conflict Barometer, the province of Kayseri (where the Öksüt Mine is located) was ranked as "no conflict" from 2018 to 2020. As part of our due diligence for Turkey, Centerra undertakes quarterly geo-political risk assessments. The Senior Leadership Team receives periodic briefs of the geo-political situation in Turkey from the Eurasia Group to better understand its jurisdictional risks.

These assessments have further concluded that the Öksüt Mine is not proximate to the "conflict-affected or high risk" areas in the southeastern Turkish provinces identified by the Heidelberg Conflict Barometer and therefore its operations would not be reasonably affected by this conflict. As such, Centerra concludes that its Öksüt Mine is not considered to be in a "conflict-affected or high risk" area.

When reviewing Canada and the Kyrgyz Republic in the Heidelberg Conflict Barometer on the subnational level, British Columbia (where the Mount Milligan Mine is located) and the Issyk-Kul region of the Kyrgyz Republic (where the Kumtor Mine is located) were ranked as "no conflict" from 2018 to 2020. Therefore, Centerra has determined that all its mines are not considered to be in a "conflict-affected or high risk" area.

SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES

Table 17. Total Gold Mineral Reserves and Active Conflict¹

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)
Total Mineral Reserves in or near Areas of Conflict	0	0.0	0	0			0		
Total Mineral Reserves	135,982	0.48	2,101	131,213	1.71	7,195	267,195	1.08	9,297
% of Mineral Reserves in or near Areas of Conflict²	0%			0%			0%		

1 Mineral reserves as at December 31, 2020. Table 17 only represents the total gold mineral reserves at Mount Milligan, Kumtor and Öksüt.

2 SASB recommends that reserves shall be considered to be in or near an area of active conflict if it is located in the same country as the active conflict. However, if the company can demonstrate that a conflict is contained to a region, state or designated area that is not proximate to its reserves then it may exclude these from the scope of disclosure. The Heidelberg Conflict Barometer states that the conflict, the conflict is contained along the Turkish southeastern provinces which are not proximate to our mineral reserves at the Öksüt Mine. As such, it is not reasonably expected that these conflicts will impact our Turkish operations at Öksüt.

Table 18. Total Copper Mineral Reserves and Active Conflict¹

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)
Total Mineral Reserves in or near Areas of Conflict	0			0			0		
Total Mineral Reserves	125,179	0.23	624	45,397	0.21	213	170,576	0.22	837
% of Mineral Reserves in or near Areas of Conflict²	0%			0%			0%		

1 Mineral reserves as at December 31, 2020. Table 18 only represents the total copper mineral reserves at Mount Milligan.

2 SASB recommends that reserves shall be considered to be in or near an area of active conflict if it is located in the same country as the active conflict. However, if the company can demonstrate that a conflict is contained to a region, state or designated area that is not proximate to its reserves then it may exclude these from the scope of disclosure. The Heidelberg Conflict Barometer states that the conflict, the conflict is contained along the Turkish southeastern provinces which are not proximate to our mineral reserves at the Öksüt Mine. As such, it is not reasonably expected that these conflicts will impact our Turkish operations at Öksüt.

SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES

During 2020, neither our Kumtor or Öksüt mineral reserves were in or near Indigenous land. At Mount Milligan, 100% of our mineral reserves are situated on the traditional territories of several First Nations. In 2020, we maintained strong Indigenous relations through engagement and strategic community investment. Further information on the Company's initiatives on Indigenous employment and capacity building can be found in [Section 3.2.1](#).

Table 19. Total Gold Mineral Reserves and Indigenous Land¹

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)	Tonnes (kt)	Grade (g/t)	Contained Gold (koz)
Total Mineral Reserves in or near Indigenous Land	125,179	0.4	1,613	45,397	0.37	535	170,576	0.39	2,148
Total Mineral Reserves	135,982	0.48	2,101	131,213	1.71	7,195	267,195	1.08	9,297
% of Mineral Reserves in Indigenous Land	92.1%			34.6%			63.8%		

Table 20. Total Copper Mineral Reserves and Indigenous Land²

	Proven			Probable			Total Proven and Probable		
	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)	Tonnes (kt)	Grade (%)	Contained Copper (Mlbs)
Total Mineral Reserves in or near Indigenous Land	125,179	0.23	624	45,397	0.21	213	170,576	0.22	837
Total Mineral Reserves	125,179	0.23	624	45,397	0.21	213	170,576	0.22	837
% of Mineral Reserves in or near Indigenous Land	100%			100%			100%		

1 Mineral reserves as at December 31, 2020. Table 19 only represents the total gold mineral reserves at Mount Milligan, Kumtor and Öksüt.

2 Mineral reserves as at December 31, 2020. Table 20 only represents the copper mineral reserves at Mount Milligan.

SECTION 3.2 SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES**Table 21. Voluntary Principles on Security and Human Rights (VPSHR)**

In 2020, 100% of Öksüt's security personnel and private security contractors completed training on the VPSHRs¹.

It is expected that Centerra's other operating sites will receive refresher training on the VPSHRs. Due to COVID-19, precautionary measures will be taken, and these sessions will be held virtually. We will aim to resume in-person training once there is no risk to public health and we will strictly adhere to all national COVID-19 measures.

2020 Training on Voluntary Principles on Security and Human Rights							
Site/Location	Session Details		Total Number of Participants in Security Training			Percentage of Total Security Personnel Trained	Total Number of Security Personnel at Site
	Number of Sessions Conducted	Total Duration All Sessions (Hours)	Employees	Private Security Contractors	Public Security/Law Enforcement Personnel		
Mount Milligan	0	0	0	0	0	0%	0
Kumtor	0	0	0	0	0	0%	0
Öksüt	1	4	5	59	0	100%	64

¹ In 2019, Mount Milligan completed its inaugural VPSHR training for 25% of its security personnel. It is expected that the remaining security personnel will receive training once COVID-19 restrictions are lifted. In 2019, Kumtor completed VPSHR training for 10% of its security personnel. This training was focused on new employees who did not receive the training in 2018 (100% of security personnel completed VPSHR training in 2018). In addition, in 2019, 20 private security contractors received training on the VPSHRs representing 100% of Kumtor's security contractors. In addition to VPSHR training, we had collaborative sessions with public law enforcement personnel on the changes to the Criminal Procedure Administrative Codes of the Kyrgyz Republic – establishing clear human rights protocols in any security interactions with community members.

SECTION 3.3 LABOUR RELATIONS

SECTION 3.3.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

Our people are our most important asset. Strong employee engagement and morale decreases employee turnover and absenteeism and increases productivity. We believe strong employee engagement also helps foster a culture of belonging, innovation and creative decision making, allowing us to identify new solutions to creating long-term value.

LABOUR MANAGEMENT

1. COMPLIANCE WITH EMPLOYEE RIGHTS

Centerra has a Respectful Workplace Policy that prohibits discrimination and harassment on any grounds, including a person's sex, age, race, national or ethnic origin, ancestry, place of origin, citizenship, creed/religion, colour, disability, marital status, family status, sexual orientation, gender identity, gender expression, or conviction for which a pardon has been granted.

Centerra is committed to complying with the fundamental labour rights set out by the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

This includes an employee's right to form and join organizations of their choosing (freedom of association) and bargain collectively with their employer through an elected representative that the employee and their co-workers choose.

In 2020, Centerra has three sites with collective bargaining agreements (CBAs), namely Kumtor, Öksüt and the Kemess Underground Project. Table 22 presents a list of CBAs covering unionized employees across our operating jurisdictions.

Table 22. Collective Bargaining Agreements by Jurisdiction

Location	Expiry Date
Kumtor	December 31, 2022
Öksüt	July 31, 2022
Kemess Underground Project	December 31, 2020 ¹

2. CONSULTATION AND ADVANCE NOTICE PERIODS

We commit to disclosing significant operational changes to our employees in a timely manner. Specific advance notice periods vary by contract and region.

In the event of significant operational changes, sites with CBAs will provide consultation to employees on matters affecting or related to the workforce such as schedule or rotation changes. In the event of a policy introduction or revision related to the workforce, the site will actively engage with those affected employees.

Each site's CBA outlines the required written notification period that must be provided in advance of certain changes taking place. These notifications range between 30 and 90 days as defined within their specific agreements.

¹ A new collective bargaining agreement is currently being negotiated with the union.



In 2020, approximately 75% of our workforce was a member of a union or participated in a collective bargaining agreement.

SECTION 3.3 LABOUR RELATIONS

HUMAN CAPITAL MANAGEMENT

1. CREATING A PEOPLE FIRST CULTURE AND FOSTERING INTERNAL TALENT

To facilitate and encourage employee engagement, retention and on-the-job success, Centerra places a significant focus on the growth and development of its employees. Throughout the year, managers take action to provide meaningful feedback through informal measures to help guide successful job performance and behaviour modelling aligned to Centerra's goals and values. Currently, employees receive formal performance reviews from their immediate manager. These reviews serve as an opportunity for employees and managers to collaboratively discuss employee strengths, opportunities for improvement and to craft forward-looking development plans that include stretch assignments or supplementary education and training opportunities that may be of benefit to the employee.

Centerra supports employee development through an integrated talent management program based on organizational needs, employee development goals and performance management objectives. This program utilizes blended learning styles wherever possible, including classroom, virtual and self-directed learning opportunities delivered by internal facilitators and external subject matter experts as appropriate.

Employees are encouraged to develop annual Individual Development Plans (IDPs). The IDP is a tool that assists employees in helping them reach their short- and long-term career objectives by mapping out specific focus areas around knowledge, skills and abilities. Centerra's support for employee development includes providing financial assistance and job-protected leave for employees who wish to obtain higher education, in addition to mentorship programs and overseas secondment opportunities. We have adopted a "think global, act local" approach to employee engagement. Our sites have taken concrete action to improve employee engagement and have identified the following priorities, which formed the basis of our 2020 – 2021 Engagement Roadmap: recognition, collaboration, empowerment and communication.

To date, we have seen improvements made across various locations to a variety of programs, including but not limited to quarterly bonus systems, townhall meetings and other forms of information sharing, wellness and mental health initiatives, performance appraisal processes, and service award programs.

2. SUPPORTING EMPLOYEES THROUGH COMPENSATION AND BENEFITS

We understand the importance of paying a fair wage to our employees and are committed to doing so. In all of the jurisdictions where we operate, our standard entry-level wage is greater

than the minimum wage set by the state or country. Importantly, there is no variance between our entry-level wages between men and women.

Centerra provides its employees with numerous financial, health and wellbeing benefits. Permanent, full-time employees are eligible to receive dental and health benefits, paid vacation time, and can participate in the Employee Share Purchase Plan (ESPP).

Regional benefits include:

- Fitness reimbursements/gym memberships;
- Allowances for the celebration of professional and personal employee milestones;
- Allowances for funeral-related costs;
- Home improvement loans;
- Contribution toward a retirement savings plan with company match; and
- Maternity/parental leave policy.

In 2020, we placed emphasis on mental health awareness and wellness communication and support. We organized sessions around ergonomics, stress management, relaxation techniques, productivity tips and meditation. Employees who worked from home during COVID were provided a reasonable budget for the purchase of appropriate office equipment. Across our North American operations, employees were also able to access our employee assistance program through Canada Life.

SECTION 3.3 LABOUR RELATIONS

At Mount Milligan, during Mental Health Awareness Week in October 2020, teams hosted toolbox talks around mental health awareness, the site coordinated clinical counsellors for employees and we launched the Not Myself Today campaign with the Canadian Mental Health Association.

3. DIVERSITY, EQUITY AND INCLUSION

Centerra recognizes that not only is it important to have a workforce comprised of the demographics of the communities in which it operates, but also that diversity brings value to the workplace. We have various policies, guidelines, training, procedures and agreements at each of our operations, unique to each region, to bring the most cultural diversity and value to each workplace while respecting the cultures, communities and people within each of the regions where we operate. We maintain culturally diverse recruitment practices, training of our workforce on cultural sensitivities in applicable regions, and management practices that reinforce principles of diversity and cultural acceptance. Some of the cultures in which we work, and national legislation, create barriers to achieving greater gender diversity, but we currently have good representation in professional ranks, and we will continue to increase representation, where possible, through our global diversity, equity and inclusion (DE&I) program launched in 2020.

Centerra recognizes that DE&I is imperative for long-term success and that the journey begins at the top. To that end, we have created a Global DE&I Executive Council sponsored and chaired by the President and CEO with representation from senior management. Centerra has also created four regional DE&I committees, all sponsored by a regional executive and led by employee members. The Global DE&I Executive Council is responsible for the continued development of the DE&I global strategy, supports alignment of regional strategies, makes decisions on various DE&I initiatives and oversees the successful implementation of the strategy through the four regional committees. We have also partnered with the Canadian Centre for Diversity and Inclusion and will be working with their DE&I experts to develop strategies and initiatives to increase diversity and promote inclusivity across Centerra.

In 2020, over 1,200 employees, including all Board members and all senior management, received diversity and inclusion fundamentals training and unconscious bias training. We will be offering continued education and awareness to all remaining employees in 2021 including DE&I Fundamentals, Unconscious Bias, Men as Allies, Adopting Inclusive Leadership Behaviours and Creating an Inclusive Environment.

Additionally, Centerra has developed a talent management strategy aimed at attracting and retaining diverse talent by specifically focusing on attracting, developing, promoting and supporting employees from underrepresented groups (including gender, ethnicity, age, national origin, persons with disabilities, Indigenous peoples, visible minorities and sexual orientation). Centerra is committed to increasing diversity and will be reviewing all policies and talent management processes to remove barriers or biases for underrepresented groups. Specifically, we will endeavour to increase the number of diverse talents in high-potential talent pools, review recommended promotions and increase diverse candidates when recruiting.

In 2020, Centerra became a Silver sponsor for International Women in Mining (IWiM).

SECTION 3.3 LABOUR RELATIONS

SECTION 3.3.2 PERFORMANCE

LABOUR RELATIONS

As at December 31, 2020, Centerra's global workforce was comprised of 3,230 permanent and 631 temporary employees, a total of 3,861 employees, an increase of 6.27% in total employees from the end of 2019. During 2020, we did not have any significant permanent layoffs and our turnover remained stable. In circumstances where we did have temporary layoffs, we strived to call back the affected employees.

In 2020, approximately 75% of our workforce was a member of a union or participated in a CBA. The Kumtor Mine is unionized and all of our national employees in the Kyrgyz Republic are subject to our collective agreement with the Trade Union Committee. At Kumtor, approximately 99% of

employees are Kyrgyz citizens. In 2020, our Öksüt Mine also became unionized and approximately 61% of our workforce was a member of a union or participated in a CBA. At Mount Milligan, 100% of our workforce are locally hired and there are no unionized employees at Mount Milligan.

In 2020, the Langeloth Metallurgical Facility had 119 employees. On September 9, 2019, following the expiration of the site's CBA earlier in the year, workers went on strike. As of December 31, 2020, no significant disruptions or impact to operations at Langeloth or deliveries to customers resulted from the strike. In January 2020, 77 replacement workers were hired. We do not expect operations or deliveries to customers to be impacted in 2021 as a result of the ongoing strike. In early July, the National Labour Relations Board (NLRB) dismissed the only pending unfair labour practice

charge with respect to the withdrawal of recognition from the union. On August 16, the union terminated the strike by removing pickets from the facility. These acts resulted in the facility being union free. Also on August 16, the union made an unconditional offer to return to work on behalf of the former economic strikers; several former economic strikers also made separate unconditional offers to return to work. Thereafter, the union filed an unfair labour practice charge alleging the Company has wrongfully refused to reinstate the former economic strikers. That charge is denied and is in the early stages of administrative processing.

We aim to create a workplace that attracts and retains high-quality talent, protects workers' rights, offers an inclusive and respectful environment, and champions employee experiences and development.

Table 23. Collective Bargaining: 3-Year Summary

# of Employees Covered Under a Collective Bargaining Agreement	2020	2019	2018
Total Employees	2,893	2,687	2,702
% of Employees	75%	74%	75%

Table 24. Worker Lockouts: 3-Year Summary¹

	2020		2019		2018	
	Number of Strikes	Cumulative Duration (Days)	Number of Strikes	Cumulative Duration (Days)	Number of Strikes	Cumulative Duration (Days)
Total Number of Strikes	0		0		0	
Total Number of Days		0		0		0

¹ SASB recommends disclosing the number of work stoppages and total duration, in worker days idle, of work stoppages involving 1,000 or more workers lasting one full shift or longer. According to this methodology, the ongoing strike at the Langeloth Metallurgical Facility is excluded from Table 24.

SECTION 3.3 LABOUR RELATIONS

HUMAN CAPITAL MANAGEMENT

In 2020, our global workforce was comprised of 483 female employees, which represented a slight decrease of 0.76% in our female workforce to 12.5%. In 2020, Centerra hired one female to our Executive Team, which accounts for 17% of our Executive Leadership. Across the Company, women also account for 17% of management. In 2020, Centerra promoted one woman into senior management, accounting for 33% of promotions into this category, and nine women into management, accounting for 19% of total promotions in this category.

In 2020, our standard entry level wage at Kumtor was eight times more than the national minimum wage, and across British Columbia, it was two times more than the provincial minimum wage.

In 2020, 87% of permanent female employees and 77% of permanent male employees received a performance and/or career development review. In 2020, women received an average of 31 hours of training and men received 36 hours. This discrepancy is attributed to the different job-specific training requirements that are required by Centerra. Specifically, there are increased training requirements at our mine sites, which have a greater proportion of male employees.

During 2020, Centerra observed an effect on the availability of Kumtor's workforce due to a greater rate of COVID-19 infections and other illnesses in the Kyrgyz Republic. As a result, open pit mining began operating at less than full capacity in July 2020 but returned to full capacity in September 2020. Since the fall of 2020, there has

been a significant increase in reported COVID-19 cases in the Kyrgyz Republic. Kumtor continues to implement mitigation controls and health and safety precautions at the mine site to contain the spread of COVID-19 and protect its workforce.

Refer to [Section 2.1.1](#) for more information on our pre-employment training programs in British Columbia.

Table 25. Female Representation Across Centerra

	2020 ¹	2019	Canada (average across mining industry) ²
Number of Female Employees	483	482	N/A
Female Representation (%)	13%	13.3%	14%

Table 26. Indigenous Representation Across Centerra's B.C. Operations

	2020 ³	2019	Canada (average across mining industry) ⁴
Indigenous Representation (%)	17.6%	16.2%	12%

¹ These numbers are based on self-identification by employees. This percentage includes both permanent and temporary female employees.

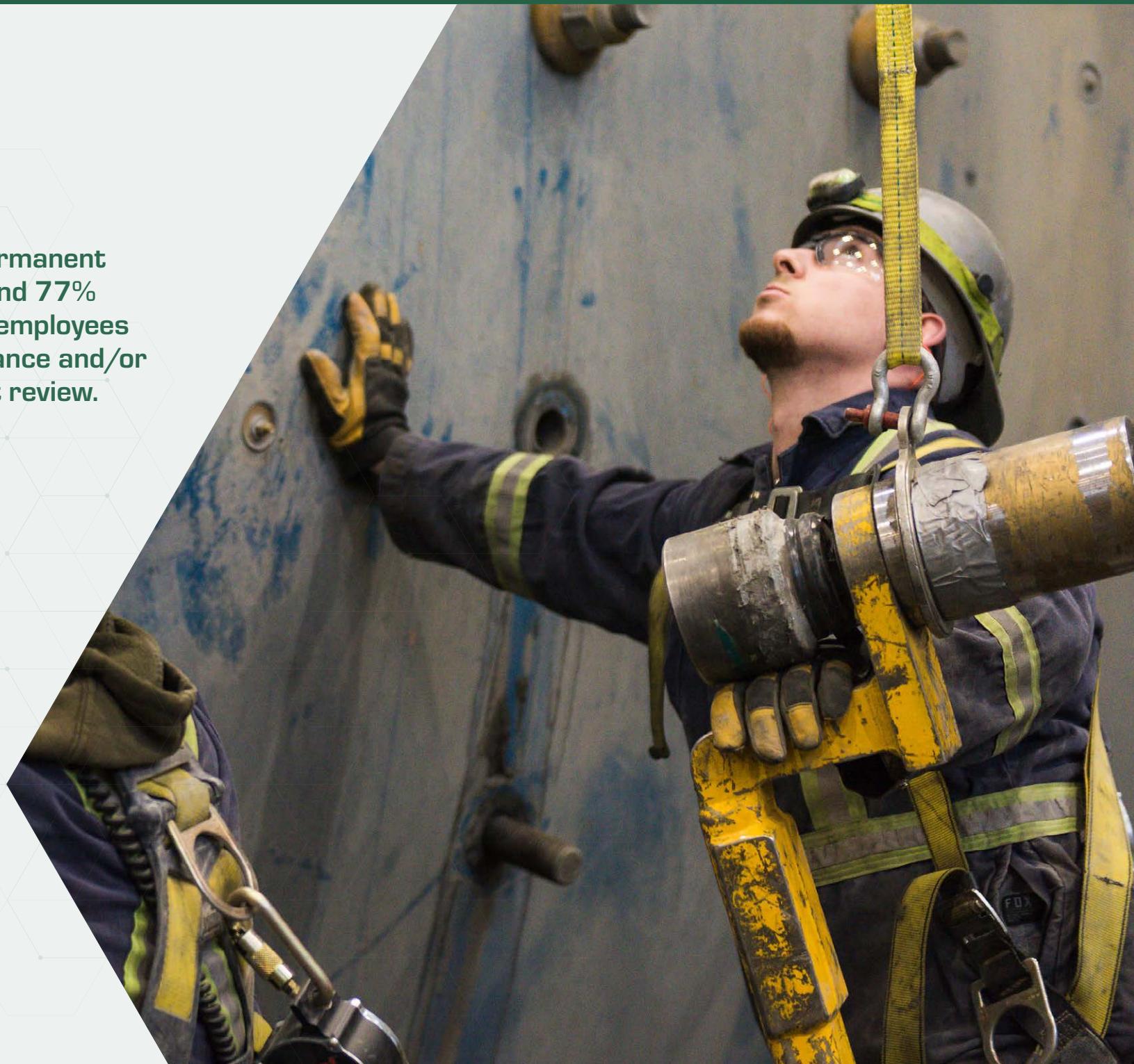
² <https://www.nrcan.gc.ca/maps-tools-publications/publications/minerals-mining-publications/minerals-sector-employment/16739>

³ These numbers are based on self-identification by employees.

⁴ <https://www.nrcan.gc.ca/our-natural-resources/minerals-mining/minerals-and-economy/20529#indigenous>



In 2020, 87% of permanent female employees and 77% of permanent male employees received a performance and/or career development review.



SECTION 3.3 LABOUR RELATIONS

Table 27. Entry-Level Wage Compared to Local Minimum Wage by Gender¹

	2020		2019		2018	
	Female	Male	Female	Male	Female	Male
Canada	2:1	2:1	2:1	2:1	2:1	2:1
Turkey	1.2:1	1.7:1	1:1	1:1	1:1	1:1
Kyrgyz Republic	8:1	8:1	10:1	10:1	10:1	10:1
United States of America	3.4:1	3.4:1	–	–	–	–

¹ Entry-level wages are calculated using the average hourly starting wage at each site compared to the legislated minimum wage in the respective region.

Table 28. Total Employee Turnover

	2020	2019	2018
Total # of Employees Whose Employment with Centerra Ended	179	291	253
Total # of Employees who Resigned Voluntarily	121	202	180
% of Employee Turnover	7.9%	9.11%	7.62%

SECTION 3.4 COMMUNITY RELATIONS

SECTION 3.4.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

Key community stakeholders and groups are identified through both formal and informal identification and mapping exercises. Stakeholder identification processes may be undertaken at various stages of the operation, including during the environmental and social impact assessment (ESIA) process, development of Community

Development Plans and stakeholder engagement strategies, and are re-evaluated on a regular basis throughout the life of mine.

1. PROACTIVE STAKEHOLDER ENGAGEMENT

We are accountable to our stakeholders for their concerns, issues and expectations and continuously listen, learn, share and receive feedback and comments regarding our mining activities. We strive to manage community-related

feedback and potential outward-facing social risks before they become grievances and lead to conflict. Our stakeholder engagement processes ensure that stakeholders and project-impacted Indigenous groups are informed about our current activities and future plans.

Our stakeholder engagement and social investment efforts are led by our site sustainability/community relations teams, often comprised of individuals from local or nearby communities who

SECTION 3.4 COMMUNITY RELATIONS

understand regional nuances and community needs. Stakeholder identification and mapping begins during exploration and is a continuous process which is regularly undertaken through to mine closure.

We also have a Sustainability Toolkit specific for our exploration activities. The principles in this internal document ensure that:

- Issues are identified as early as possible to allow for proactive management;
- Community investment activities are aligned with the needs, plans and actions undertaken by local organizations and municipalities;
- Meaningful input on Company activities and projects is made possible;
- Collaborative solutions to problems are identified and implemented; and
- Feedback on proposed and/or implemented activities is received within a useful timeframe and used to enhance/modify our actions.

The Exploration Sustainability Toolkit is aligned with the E3 Plus guidance from the Prospectors & Developers Association of Canada (PDAC).

Engagement tools depend on the stage of the project and the requirements of the community but may include one-on-one meetings, community townhalls, website/newsletter communication, mine site visits and media.

At Kumtor and Öksüt, we have developed region-specific Community Development Plans in collaboration with our regional committees where they exist. Committees are often comprised of local authorities, heads of village councils, community representatives and civil society organizations.

At Öksüt, we undertook an extensive stakeholder identification and engagement process as part of the development of a socio-economic baseline study for settlements within the project area.

At Mount Milligan, community engagement is ongoing through the continued operation of the Community Sustainability Committee (CSC). Seats on the CSC are allotted to representatives from the communities of Mackenzie, Fort St. James, Vanderhoof and Prince George, and Indigenous groups of McLeod Lake Indian Band, Nak'azdli Whut'en, Halfway River and West Moberly First Nations. The CSC is mandated to provide input and feedback on Mount Milligan's activities and social commitments.

At Kumtor, community investment decisions are made with the members of each of our three regional committees which are comprised of local authorities, heads of village councils, civil society representatives and members of different unions. At committee meetings, Kumtor defines the scope of future investment projects in collaboration with committee members.



Mount Milligan has committed up to C\$64,000 in scholarships for the eight graduates of the MiningX program

In addition to formal engagement opportunities, community members are encouraged to visit our regional community offices if they have inquiries or to provide project feedback. Our regional community offices are staffed with community relations officers who are able to provide timely and accurate information to local communities on the project.

Across all sites, we regularly organize mine site visits for local communities, Indigenous groups, local regulatory authorities, partner organizations, as well as teachers and students from various educational institutions. During the site tour, visitors have the opportunity to meet with personnel from different departments and learn about the site's employment and training initiatives, environmental management, health and safety programs, and community partnerships.



In 2020, Mount Milligan provided funding in excess of C\$45,000 in donations and sponsorships to support youth sports teams, arts organizations, health and education-focused initiatives, and recreation clubs in local communities.

SECTION 3.4 COMMUNITY RELATIONS

2. COMMUNITY-ACCESSIBLE FEEDBACK AND GRIEVANCE MECHANISMS

Centerra's sustainability/community relations teams at each site monitor, track and evaluate engagement activities by documenting and reviewing all feedback and grievances received through community meetings, community offices, company and community events, presentations, phone or email.

We have developed accessible community-based mechanisms through which our stakeholders can provide feedback and raise grievances.

Centerra's Grievance Management & Resolution Standard ("the Standard") provides a framework for our teams to define effective remedy for both collective and individual community grievances. The grievance mechanism can be used by all individual local stakeholders and groups at any stage of our operations or related activities, including exploration, operation, care and maintenance, and closure.

The Standard provides a framework for communication at each stage of the grievance submission between Centerra and the complainant. This creates transparency and predictability throughout the entire process.

We recognize that grievances may be the indication of more systematic or deep-rooted issues. Our grievance mechanism is an opportunity for us to address and resolve concerns and issues before they escalate, in addition to promoting mutual confidence and trust with local stakeholders and groups and strengthening our credibility.

Both corporate and site senior management are responsible for reviewing the grievance register regularly to ensure proper and timely respect and redress is being provided to communities.

3. STRATEGIC SOCIAL INVESTMENT AND LOCAL CONTENT STRATEGIES

All social investments decisions are undertaken in collaboration with local communities, stakeholders and Indigenous groups, as described in [Section 3.3.1](#). At Mount Milligan, the Community Sustainability Committee (CSC) provides input on mine activities and updates on community developments. In addition, since 2016, the CSC has been allocating funding provided through the Mount Milligan Community Project Fund (CPF). This fund is a component of the Mount Milligan Legacy Program, which was set up in 2014. The CPF provides financial support to local organizations working to build capacity at the community level in one or more of the following priority areas: education and training, health, environment, community (including economic development) and literacy.

Mount Milligan also enters into strategic partnerships, contributing to multi-year funding to local education and environmental initiatives. In 2018, Mount Milligan committed to three years of funding totalling C\$45,000 to support a joint initiative between the local school district and the University of Northern British Columbia to create an interactive, geospatial watershed portal and a series of co-learning activities for students, educators and researchers, including over 13 participating Indigenous groups.

Mount Milligan Mine also provides several academic bursaries each year to high school graduates from the mine's local communities. To further community investment, Mount Milligan Mine also runs a regional donation program to facilitate the Company's support of local non-profit organizations and community events. In 2020, the Company provided funding in excess of C\$45,000 in donations and sponsorships to support youth sports teams, arts organizations, health and education-focused initiatives, and recreation clubs in our local communities. In addition to these programs and initiatives, each year Mount Milligan Mine sponsors a number of community education and training programs through the local community college, such as first aid certification and computer skills upgrading classes.

SECTION 3.4 COMMUNITY RELATIONS

At Kumtor, strategic investment is directed into four main areas: business growth and diversification (especially small businesses and entrepreneurs); development of the agricultural sector; youth and educational projects; and environmental protection projects. The aim of the strategic community investment is to promote and develop a more diverse economy that will not be overly reliant on Kumtor. Kumtor works in partnership with a number of international and local organizations to maximize the impact of our community investments.

In addition to projects that are organized and administered by Kumtor, in 2020 we also financially supported local community-owned projects. These local projects are initiated, owned and administered by local communities and are undertaken in collaboration with local authorities, local NGOs and youth groups. These projects are specifically aimed at creating a collective benefit for the community and focus on developing local infrastructure, social initiatives, sports and youth, as well as supporting vulnerable groups.



In 2020, Centerra allocated over \$3 million in strategic community investments and donations

At Öksüt, strategic investment is directed into eight key focus areas: community health; educational support; sustainable income opportunities; infrastructure improvement; supporting cultural and artistic activities; supporting sports activities projects; donations; and livelihood restoration projects. The livelihood restoration projects are focused on providing access to water sources for shepherds, creating access roads to the pasture lands, regional livelihood support projects, supplying agricultural

equipment and supporting alternative feed production. Ongoing projects include, but are not limited to, community health, sustainable income opportunities and infrastructure improvement. For example, income-generating activities are promoted by supporting alternative occupations for disadvantaged groups, women and farmers. Projects are carried out in cooperation with local governments, local NGOs and target groups. Projects are implemented with the financial and technical contributions of these stakeholders.



CASE STUDY

Providing Community Support in British Columbia During COVID-19

In 2020, strategic community investments in British Columbia were primarily focused on helping communities build resiliency and provide COVID relief.

At Mount Milligan, we implemented a three-pillar approach to community investment in 2020. First, we provided C\$30,000 to essential services and businesses that needed financial support, including soup kitchens and emergency housing programs. The next phase (called "Mining for Good") focused on highlighting and celebrating local heroes. Over 50 local hero nominations were received, and gratitude gifts worth a total of C\$25,000 have been distributed across the region.

The third phase of our community resiliency and COVID-19 relief program launched in 2021. This third phase will be focused on supporting the sustainable development of local independent businesses. Businesses will be selected that are not eligible for the Canadian government's grant programs and the funds will be used to help them repivot their business during COVID-19.



SECTION 3.4 COMMUNITY RELATIONS

4. LOCAL PROCUREMENT

Part of our approach to maximizing strategic social investment is purchasing locally. While local procurement benefits communities by aiding in the development of local business, in many cases, it is also cost-competitive and decreases our lead times while increasing the resiliency of our supply chain.

Our supply chain team, working in collaboration often with the sustainability/community relations team, provides communities with information about local procurement opportunities at different stages of the project. Remaining transparent and setting realistic expectations with local stakeholders is paramount in the development of a local supply chain.

At Kumtor, the procurement team organizes information sessions with local suppliers and members of the regional committees. The intent is to ensure existing and potential new local suppliers understand Kumtor's expectations, selection criteria and procurement process. At Kumtor, we also work with local authorities to ensure that procurement opportunities are widely disseminated throughout the region, creating more awareness and accessibility for local suppliers.

To enable the effectiveness of the local procurement strategy at Kumtor, we often go beyond formal bid documentation to understand

the credentials and capabilities of potential and existing suppliers. In addition, to ensure that local suppliers meet our quality, health and safety requirements, we partner with local organizations in capacity-building initiatives. In select situations, we provide financial resources as well as coordinate training and development with industry associations, vocational schools, financial institutions and development agencies.

Understanding the barriers to entry that SMEs face, Kumtor has taken measures to help promote market accessibility including:

- Introducing SMEs to development and finance partners;
- Providing flexible payments, including advance payments, when appropriate;
- Willingness to accept legitimate increased costs; and
- Unbundling of service or goods contracts into smaller pieces that are more suitable in size for low-capacity suppliers.

However, such flexible procurement processes are intended to be short-term solutions only and are implemented to help businesses develop local skills and capacity. We communicate the temporary nature of these processes in an effort to help influence local businesses to become more competitive.

SECTION 3.4.2 PERFORMANCE

STRATEGIC SOCIAL INVESTMENT AND DONATIONS

In 2020, Kumtor provided over \$1,000,000 in financial assistance to both the Health Ministry of the Kyrgyz Republic and directly to local regional authorities. The funds are allocated toward the improvement of the country's health care institutions and providing medical equipment to continue fighting COVID-19. In addition to financial contributions, throughout 2020, Kumtor purchased 90 oxygen concentrators which were sent to medical facilities in three regions in the Issyk-Kul region. Moreover, the Issyk-Kul Development Fund has donated approximately \$140,000 to the ongoing anti-coronavirus program in the Issyk-Kul province. The Issyk-Kul Development Fund is funded by Kumtor, which transfers 1% of its annual gross revenue to the fund. In addition, Kumtor's employees launched a fundraising campaign for select regional hospitals and helped purchase medicine, personal protective equipment and antiseptic for medical workers.

At Öksüt, in collaboration with local agencies, we produced and distributed 100,000 medical masks to residents in the Develi region. In addition, we procured and delivered three medical service cars to a Develi state hospital and to the Develi District Health Directorate. The vehicles are key for contact tracing and will be used in the vaccination process.

At Mount Milligan, we donated over \$80,000 across the region to COVID-19 relief efforts.

SECTION 3.4 COMMUNITY RELATIONS

Table 29. Strategic Community Investments and Donations

USD	2020		2019		2018	
	Community Investment	Donations	Community Investment	Donations	Community Investment	Donations
Kumtor	\$2,262,645	\$135,476	\$1,236,558	\$113,528	\$2,074,290	\$150,360
Mount Milligan	\$126,834	\$53,156	\$169,112	\$37,088	\$111,820	\$65,250
Öksüt	\$541,860	\$17,957	\$459,361	\$11,615	\$153,525	\$11,907
Total	\$3,137,928		\$2,027,262		\$2,567,152	

Table 30. Grievances Received and Resolved: 3-Year Summary

	2020		2019		2018	
	Grievances	Resolved %	Grievances	Resolved %	Grievances	Resolved %
Kumtor	17	100%	14	100%	9	100%
Mount Milligan	0	N/A	2	100%	–	–
Öksüt	19	100%	29	100%	23	100%

As at December 31, 2020, we had approximately 90 months without technical delays attributed to community disruptions across all our mine sites.

Table 31. Non-Technical Delays¹

	2020	2019	2018
# of Non-Technical Delays	0	0	0
# of Days of Project Shutdown or Delay	0	0	0

¹ We define non-technical delays as project delays or operational disruptions caused by community, local NGOs and other stakeholder opposition or concerns which directly affect our ability to earn or maintain a social license to operate.

SECTION 3.4 COMMUNITY RELATIONS**LOCAL PROCUREMENT**

In 2020, our local procurement spend ("local spend")¹ in British Columbia was \$63,563,238 or 25% of our total spend compared to \$62,377,108 and 21% in 2019. In 2020, we had 375 local suppliers.

In 2020, due to COVID-19, we increased our local purchases to offset interprovincial and international procurement risks, including port congestion, limited availability of sea containers and manufacturing plant shutdowns. To continue strengthening our local supplier relationships, in 2021 we have begun to engage with local vendors directly to understand their unique value proposition. While local SMEs often cannot compete

with larger, international firms on a direct cost basis, these suppliers often have greater quality assurance and control over their products. This non-quantifiable value provides significant benefits. In addition, we will continue to identify opportunities where we can unbundle larger contracts which may be prohibitive for local suppliers.

In 2020, our local procurement spend in the Kyrgyz Republic exceeded \$22,000,000 or 8% of our total spend. The local spend comprises three regions in the Issyk-Kul Oblast. Importantly, our national spend in the Kyrgyz Republic exceeded \$69,000,000 or 25% of our total spend, which remained unchanged from 2019.

Annually, we procure more than 11,000 goods and services supplied from 354 national suppliers in the Kyrgyz Republic. Since 2008, 100% of food products have been procured in the local market.

In 2020, our local spend in Turkey was nearly \$4,900,000 and our total national spend in Turkey was \$73,800,000 or 96.8% of our total spend. In comparison to 2019, our local spend was nearly \$8,000,000 and national spend was approximately \$47,000,000 or 92% of our total spend.

¹ Local spend are businesses in communities most directly impacted by Centerra's operations.

Table 32. 2020 Spending on Local Suppliers by Region

USD	Total Spend	Local Procurement Spend	Local Spend %	National Spend (including local) ¹	International Spend	National Spend as % of Total Spend
Canada²	\$258,903,042	\$63,563,238	25%	\$248,404,914	\$10,498,127	95.9%
Kyrgyz Republic	\$277,614,165	\$22,633,517	8%	\$69,384,851	\$208,229,314	25%
Turkey	\$76,196,957	\$4,895,830	6.4%	\$73,761,912	\$2,435,045	96.8%

¹ For 2020, we have changed the methodology of our calculation.

² These numbers reflect all of our Canadian operations, including the Mount Milligan Mine, Kermess and the Endako Mine. Mount Milligan represents the most significant portion of our spend as it is our only operating mine in British Columbia.

SECTION 3.5 WORKFORCE HEALTH AND SAFETY

SECTION 3.5.1 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

Operating with a 'zero harm' health and safety (H&S) approach is fundamental to our commitment to being a responsible miner and maintaining our employees' trust. Strong H&S performance enables us to manage operational costs and minimize potential liabilities, regulatory risks and revenue deferrals from operational shutdowns.

Our Health and Safety program is framed around three key pillars: 1) Safety Leadership concepts, 2) H&S Critical Control Management and 3) the Mitigation of Fatal Risks.

1. FOSTERING A 'ZERO HARM' CULTURE

In order to realize our zero-harm culture, we are committed to integrating our safety leadership values into our processes, systems and initiatives. Our Global Health & Safety Policy is applicable to all employees and contractors. The commitments made within this Policy are applicable throughout the entire project lifecycle, from exploration to construction and operations to decommissioning.

All health and safety safeguards, processes and systems are developed to ensure we meet or exceed local, regional and national health and safety legislation.

During project planning, and regularly during project management, risk assessments are conducted to identify critical health and safety concerns. Controls are then developed and implemented to mitigate and/or eliminate key risks.

During the onboarding process, induction briefing and/or initial safety orientation, our health and safety expectations are communicated to all employees and contractors. These expectations are also communicated to consultants and any mine site visitors, ensuring that each person at site is aware of their health and safety responsibilities in a manner appropriate for their role on the site. All mine site employees and visitors receive appropriate personal protective equipment (PPE) including hard hats, goggles, insulated jackets and vests.

We assign responsibilities and accountability at each level of the organization and require senior management at all sites and subsidiaries to be accountable for the establishment, maintenance and implementation of documented site programs, plans and procedures consistent with set Centerra standards. Health and safety is incorporated into our business and financial planning, ensuring that adequate and appropriate resources are provided to all sites to implement best practices in health and safety.

Each site has a Joint Health & Safety Committee (JHSC) which includes employees, contractors and management representatives from various departments. Ensuring representation from both employees and management ensures the JHSC can act as an effective platform for communication, decision making and collaboration between those who have both in-depth practical knowledge of specific tasks and those individuals with a greater understanding of the Company's policies and procedures.

We regularly monitor and conduct program assessments to ensure our H&S performance is aligned with leading international industry practices as we remain focused on continuous improvement.

In 2020, we finalized the implementation of a new H&S management and tracking software.

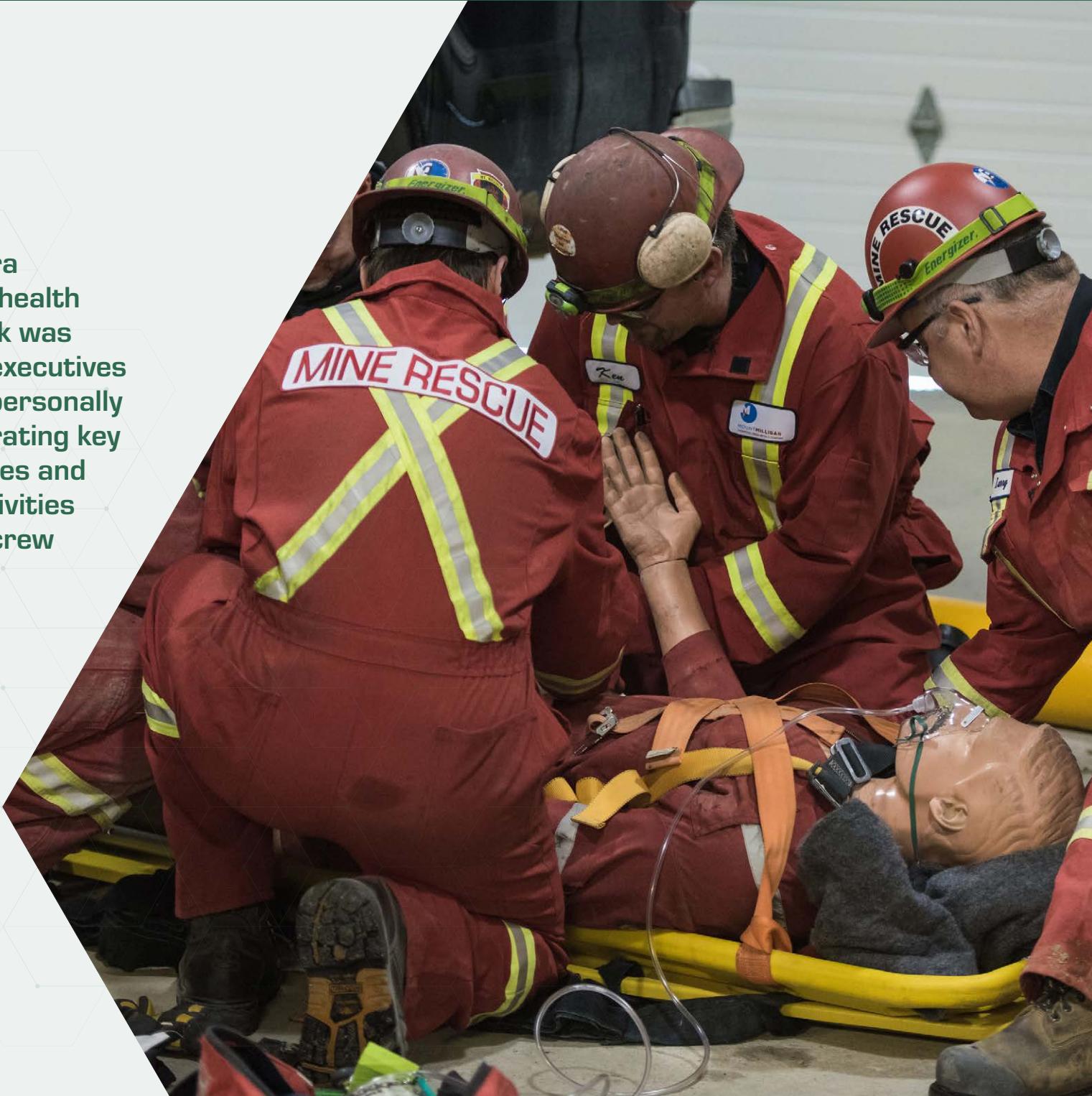
2. WORK SAFE | HOME SAFE PROGRAM

We continue to prioritize H&S training for all employees and contractors.

The initial implementation and rollout of Centerra's Safety Leadership program, Work Safe | Home Safe (WS | HS), was completed in 2018. The program is central to our delivery of H&S training throughout the organization. The focus of the program is to build a Centerra-wide culture of safety leadership. The program focuses on both senior management communication and the implementation of practical tools to empower employees. The aim is that these elements will work together to effectively create an employee commitment to safety-related behavioural changes by adding a personal and emotional element and encouraging open communication across sites to improve operational practices related to health and safety.



In January 2020, Centerra completed its first global health and safety week. The week was focused on field visits by executives and senior management personally communicating and reiterating key health and safety messages and topics, initiatives, and activities including partial- and full-crew safety huddles.



SECTION 3.5 WORKFORCE HEALTH AND SAFETY

Our utmost priority is to ensure that every employee, contractor and site visitor returns home safely after every shift or mine visit.

One main practical tool of the program is the promotion of "STOP Conversations." STOP Conversations encourage all employees and contractors to speak up if they see someone exhibiting unsafe work practices. We also provide employees with the opportunity to submit health and safety concerns anonymously and without any threat of retribution.

In 2019, we rolled out a second phase of the WS | HS Program which focused on supervisor leadership and development training, as well as a reiteration of the program's key messages. We also implemented Visible Felt Leadership, an integral part of the WS | HS Program. This aspect focused on safety leadership field interactions between Centerra's senior and line management personnel and employees. These interactions are excellent opportunities for Centerra's leadership to demonstrate and reiterate the importance of employees performing their tasks safely and going home to their families. It is also an opportunity for management to show they genuinely care for employees' wellbeing by giving them their time while in the field.

In late 2020, we launched a virtual introduction of our WS | HS Program through Centerra's onboarding package. This will enable us to continue delivering critical aspects of H&S training despite our ongoing COVID-19 social distancing measures. The orientation program will be completed by employees and contractors before they even arrive on site. The program will serve as an introduction to Centerra's values and cultures and act as a refresher training for existing employees.

Our commitment to health and safety extends to all contractors. We take ownership for ensuring that each contractor receives initial safety orientation and continuing safety training and education. In addition, contractors are subjected to a pre-project selection process that includes robust H&S criteria including consideration of historical H&S performance. While on any Centerra site each contractor group is assigned a site-based Centerra "owner" who is directly responsible and accountable for the H&S performance of their respective contractor groups.

3. EMERGENCY PREPAREDNESS

To ensure our teams have the tools, skills and resources required to address an emergency, each site has proactive emergency response plans and highly skilled, trained teams in place that are constantly tested.

All Centerra sites have emergency response teams (ERTs) that receive regular training on emergency prevention, including on high-hazard priority incident training such as cyanide and chemical spills and dispersal, high-angle rescues, vehicle extrications and fires. In addition to training, periodic drills and mock exercises are conducted to ensure teams understand proper procedures and identify areas for improvement. Centerra's highly skilled ERTs at Mount Milligan participate and compete in annual district and regional mine rescue competitions. Centerra will continue to participate in these competitions as they provide excellent opportunities for continuous improvement and skills honing for our ERTs.

4. PROTECTING EMPLOYEE AND COMMUNITY HEALTH

To protect our employees and communities, we take proactive measures to raise awareness and promote good hygiene and wellbeing practices. We conduct a pre-employment health screening for employees and contractors and on a periodic basis throughout their employment or contract.

In certain operating jurisdictions, we take extra health precautions for all employees, contractors and visitors to site where there are increased health risks. Further, we work collaboratively with local stakeholders and groups to identify and address community health challenges.

SECTION 3.5 WORKFORCE HEALTH AND SAFETY



In 2020, Centerra employees and contractors completed over 127,000 hours and 92,000 hours of health and safety training, respectively

In British Columbia, during Mental Illness Awareness Week in October 2020, we collaborated with local Indigenous groups to raise awareness and distribute informational resources to help end the stigma associated with mental health. In addition, throughout 2020, we provided funding to Indigenous groups for community-driven mental health and wellness programs.

At Öksüt, we implemented a home safety and first aid awareness training program that targeted 4,000 women and children from nearby settlements and Develi. The training materials identified the most common dangers and accidents that may occur at home and detailed preventative measures that families should implement.

SECTION 3.5.2 PERFORMANCE

On February 15, 2020, Centerra announced that a fatal accident occurred at the Kumtor Mine when an excavator slipped down into a water-filled basin while operating near Petrov Lake. Centerra and Kyrgyz state authorities have completed their investigations into the accident.

We are fully committed to understanding the circumstances that led to these safety incidents at Kumtor Mine so that so that we can take all necessary steps to prevent such incidents from happening in the future.

In 2020, we commenced a critical controls management and mitigation of fatal risks (MFR) initiative at our Kumtor and Öksüt sites, with implementation extended to Mount Milligan, care and maintenance sites, development projects and exploration in 2021. The program first focused on identifying the factors that led to both injuries and fatalities and then verified whether the top controls were in place and working properly. At Kumtor, we identified four fatal risks and controls, and over the course of the year, 819 field verifications were completed by management and supervisors. In 2020, we also implemented the MFR initiative at our Öksüt Mine.

In addition, a number of new safety standards and guidance documents were developed and implemented across the Company to support this work.

In January 2020, Centerra completed its first global health and safety week. The week was focused on field visits by executives and senior management personally communicating and reiterating key health and safety messages and topics, initiatives, and activities including partial- and full-crew safety huddles.

To commence the week and underscore the importance of health and safety and our leadership's commitment, we partially suspended operations at all sites to stress the importance of safety over production. The week was full of reflection, thoughtfulness, innovation and most importantly a recommitment and "doubling down" across our Company on safety and the importance of every employee, contractor and site visitor returning home safely after every shift and/or site visit. More information on these 2020 initiatives will be provided in the 2021 SASB Report.

COMMUNITY HEALTH

Refer to [Section 3.4 Community Relations](#) for more information around Centerra's COVID-19 community relief efforts.

SECTION 3.5 WORKFORCE HEALTH AND SAFETY

Table 33. Centerra Employees Global Health and Safety Detailed Summary¹

	Unit	2020	2019	2018
Total Hours Worked	Person Hours	6,846,060	6,906,460	6,835,631
Total Workdays	Number	N/A	N/A	N/A
Total Number of Fatalities	Number	1	2	0
Fatality Rate	Rate	0.03	0.06	0.00
Total Injury Severity Rate	Rate	195.88	351.12	10.30
Total Reportable Injuries (TRIs)	Number	25	12	15
Total Reportable Injury Frequency Rate (TRIFR)	Rate	0.73	0.35	0.44
Total Health and Safety Related Training	Hours	127,868	153,573	97,978
Work Safe Home Safe Training²	Hours	3,200	91,995	96,059

Table 34. Centerra Contractors Global Health and Safety Detailed Summary^{1,3}

	Unit	2020	2019	2018
Total Hours Worked	Person Hours	4,354,600	4,551,294	2,929,362
Total Workdays	Number	365	N/A	N/A
Total Number of Fatalities	Number	0	0	0
Fatality Rate	Rate	0.00	0.00	0.00
Total Injury Severity Rate	Rate	0.83	1.01	3.00
Total Reportable Injuries (TRIs)	Number	12	14	8
Total Reportable Injury Frequency Rate (TRIFR)	Rate	0.55	0.62	0.55
Total Health and Safety Related Training	Hours	92,051	82,510	58,712

1. Worked hours used in injury performance calculations means the total number of hours worked by employees and/or contractors carrying out work-related activities during the recording reporting period (typically a calendar year).
 2. Fatality rate calculations are for both full-time employees and contractors. Calculation: Rate: [Number of fatalities as a result of work-related injury x 200,000 / Number of hours worked]. This does not include fatalities from occupational-related diseases. 3. Centerra's Total Injury Severity Rate uses two metrics in this calculation: [Total Lost Days] and [Total Restricted Workdays]. Lost time is an occupational injury or disease that results in the worker's inability to perform routine work functions on the next calendar day after the injury is a reportable injury case. Inability to perform routine work functions includes cases resulting in either assignment of alternate or restricted duty or missed workdays.

4. Centerra's Incident Reporting Standards require that when a fatality occurs at a site/project, a penalty of 6,000 lost days is automatically charged to the site/project Injury Severity Rate. 5. Our metrics align with the ICMM health and safety recommended performance indicators and are reviewed regularly to ensure they align with best practices and reflect Centerra's operations.

2. Work Safe | Home Safe training hours include both employees and contractors.

3. The contractor statistics represented here only consider the contractors activities while working with Centerra and does not include any other business the contractor may be engaged on.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Accounting Metric	Report Section
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Section 2.2.2 Greenhouse Gas (GHG) Emissions Performance, page 33
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section 2.2.1 Greenhouse Gas (GHG) Emissions Process to Manage Risks and Opportunities, page 26
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb) and (7) volatile organic compounds (VOCs)	Section 2.4.2 Air Quality Performance, page 38
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Section 2.3.2 Energy Management Performance, pages 35 – 36
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Section 2.5.2 Water Stewardship and Management Performance, page 44
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	
Waste & Hazardous Materials Management	Total weight of tailings waste, percentage recycled	Section 2.6.2 Waste and Hazardous Materials Management Performance, page 51
	Total weight of mineral processing waste, percentage recycled	Centerra does not recycle tailings and thus, no data is available for this metric. Centerra does not publish information on mineral processing waste. The Company has provided data on its industrial waste and hazardous waste for 2020.
	Number of tailings impoundments, broken down by MSHA hazard potential	
Biodiversity	Description of environmental management policies and practices for active sites	Section 2.7.1 Biodiversity Process to Manage Risks and Opportunities, pages 52 – 56
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated and (3) under treatment or remediation	Section 2.7.2 Biodiversity Performance, pages 57 – 58
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Section 2.7.2 Biodiversity Performance, pages 57 – 58
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Section 3.2.2 Security, Human Rights and Rights of Indigenous Peoples Performance, page 64
	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Section 3.2.2 Security, Human Rights and Rights of Indigenous Peoples Performance, pages 65 – 66
	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights and operation in areas of conflict	Section 3.2.1 Security, Human Rights and Rights of Indigenous Peoples Process to Manage Risks and Opportunities, pages 61 – 63

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Topic	Accounting Metric	Report Section
Labour Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Centerra Gold is a Canadian-based company. Section 3.3.2 Labour Relations Performance, pages 71 – 76
	Number and duration of strikes and lockouts	
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Section 3.4.1 Community Relations Process to Manage Risks and Opportunities, pages 74 – 80
	Number and duration of non-technical delays	Section 3.4.2 Community Relations Performance, page 81
Workforce Health & Safety	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety and emergency response training for (a) full-time employees and (b) contract employee	Centerra does not currently track MSHA's all-incidence rate. Instead, we track Total Reportable Injury Frequency Rate (i.e., TRIFR) using the ICMM guidelines for alignment. We also track Total Injury Severity Rates (i.e., the rate calculated that takes into account the total number of lost work time, also aligned with the ICMM). We do not average the number of training hours. The number of training hours is the actual number of hours spent on training.
		Section 3.5.2 Workforce Health and Safety Performance, page 87
	Description of the management system for prevention of corruption and bribery throughout the value chain	Section 1.2.5 Governance Business Ethics and Transparency, pages 20 – 21
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Section 1.3 Governance Performance, page 21

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

TCFD Recommendation	Report Section	
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	<p>Describe the Board's oversight of climate-related risks and opportunities.</p> <p>Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Section 1.2.1 Governance Board Oversight of ESG Factors, page 17</p> <p>Section 1.2.2 Governance Executive and Senior Leadership Commitment, page 18</p>
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.	<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</p> <p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning</p> <p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Section 2.2.1 Greenhouse Gas (GHG) Emissions Process to Manage Risks and Opportunities, page 26</p> <p>In 2021, Centerra is expected to commence a quantitative scenario analysis. The Company expects to be able to provide enhanced disclosure in 2022.</p>
Risk Management		
Disclose how the organization identifies, assesses and manages climate-related risks.	<p>Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>Describe the organization's processes for managing climate-related risks.</p> <p>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>Section 1.2.3 Governance ESG Risk Management, page 19</p>
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.</p> <p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Section 2.2.2 Greenhouse Gas (GHG) Emissions Performance, page 33</p> <p>Section 2.3.2 Energy Management Performance, page 36</p> <p>In 2020, Centerra continued its ongoing climate change work, which includes the development of a climate change strategy. The Company expects to be able to provide enhanced disclosure in 2022.</p>

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