



SOCIAL POLICY

Lydian's Commitment to Sustainable Development

Lydian International Ltd and its controlled affiliates (the "Company" or "Lydian") aims for sustainable development¹ outcomes and is committed to the integration of environmental, health, safety, social and security considerations into its procedures for project development and operation at all stages.

As part of its commitment, Lydian has therefore developed policies that protect our stakeholders and environment wherever we conduct our business.

Lydian Social Policy

Lydian recognizes good management of social considerations as a highest corporate priority and is committed to the establishment of sustainable relationships with its stakeholders, in particular with those communities surrounding its projects. Lydian seeks relationships which demonstrate mutual respect and understanding, active partnership and long-term commitment.

The Company implements a social management program for its operations which seeks to minimise and mitigate any adverse social impacts generated by its activities, and to enhance beneficial social impacts and in accordance with internationally recognised business best practice. The implementation of this Social Policy and the Company's associated social procedures is a key requirement during all stages of project development.

Stakeholder Engagement

Lydian recognises that good management of relationships is essential to business success and the management of its operations. The Company also recognizes that at every stage of a project potential negative effects may occur due to a lack of communication and stakeholder engagement.

The Company realizes that it is operating in environments with different cultures, lifestyles and heritage and thus manages stakeholder relationships based on respect, full transparency and open communication. All its operations are required to develop a project specific Stakeholder Engagement Plan (SEP), providing clear policies and procedures for the stakeholder engagement approaches used by the operation. This includes details of the disclosure of environmental and social information and the Company's grievance mechanism.

Cultural Heritage

The Company will manage cultural heritage in consultation with relevant communities and national cultural heritage specialists. The Company seeks to avoid or minimise any impact to cultural heritage,

both tangible and intangible. Where avoidance of negative impacts is not possible, the Company requires its operations to work with competent professionals to assist in the identification and protection of cultural heritage. Lydian, subject to appropriate consent, promotes the collection, analysis and dissemination of cultural heritage information and knowledge and takes an open and transparent approach.

Human Rights

Lydian supports the protection of human rights consistent with the United Nations Declaration of Human Rights. The Company expects its operations to reflect the UN Guiding Principles on Business and Human Rights, based upon a due diligence approach to human rights.

The Company's security procedures are consistent with this commitment and require endorsement of the Voluntary Principles on Security and Human Rights by all its operations.

Community Development

To maximize the benefit generated by its core business, the Company also seeks to support community-based projects that can make a difference in a sustainable manner without creating dependency.

The Company makes a distinction between voluntary community development measures and mandatory mitigation measures needed to reduce the negative impacts associated with its business activities.

Compliance

The Company will comply with all applicable legislation relating to social considerations. The Company also adheres to the standards and guidelines of the International Finance Corporation and European Bank for Reconstruction and Development.

Lydian requires its consultants, contractors, suppliers and subsidiaries to adhere to the principles of this Social Policy as a minimum standard.

Continuous Improvement

The Company will review its Social Policy on a periodic basis and update it as necessary. It will also regularly update or improve its Environmental, Social, Health and Safety Management System by performing periodic, systematic, internal audits. It will use the results as a basis for continuous improvement in social performance through an adaptive management process.

This was approved by the Board of Directors on November 8, 2017.

¹ "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs"