

16 March 2021

### **For the consideration of the Business & Human Rights Resource Centre**

At Nornickel, environmental, social and governance issues are a leading priority and we incorporate them into everything we do. As a member of the United Nations Global Compact, we fully support the UN's 2030 Agenda for Sustainable Development and the UN SD goals, consistently integrating them into our by-laws and operational practices.

Nornickel takes its environmental responsibilities incredibly seriously. We acknowledge that there are legacy issues relating to our business, and we are implementing far-reaching measures to address them. Our core environmental initiatives are based around reducing our environmental footprint, rehabilitating legacy pollution and restoring biodiversity. As part of these efforts, we are reviewing mine and plant closure plans in all our divisions, with the shutdown of our oldest production facility – a smelting shop in the town of Nickel – being the latest step in that direction.

We take full responsibility for the consequences of the diesel spill and are doing everything we can to rectify the situation. We responded quickly to contain and remediate the spill, collecting over 90% of leaked fuel, and have paid damages in full of 146.2 billion roubles (around US\$2 billion). We also know that we must improve our emissions profile, and have stringent targets in place. We are implementing the Sulphur Programme, which is on track to achieve world-class performance in sulphur reduction, and have designated US\$3.6 billion for the project.

Nornickel has the utmost respect for the rights of indigenous communities in our regions of operation. We are fully invested in these communities and design our projects to avoid adverse impact on them. Nornickel has a strong legacy of engagement and support of indigenous people, and notably we have signed a five year 2 billion rouble cooperation agreement with three associations of indigenous people living in the North and in the Taymir Peninsula in particular. The programme includes 42 initiatives aimed at the protection of natural habitat and support for traditional ways of life.

Furthermore, in December 2020, in the wake of the unfortunate diesel fuel spill in May, Nornickel began paying direct compensations for damages to 699 individuals – representatives of indigenous communities whose livelihoods depend on fishing in Lake Pyasino and the Pyasina River – in the amount of 174 million roubles.

In early March 2021, Nornickel signed a cooperation agreement with the Federal Agency for Ethnic Affairs (FAEA) to promote sustainable development, better quality of life, preserve and foster traditional way of life of indigenous peoples living across the company's geographies. Nornickel and the FAEA also intend to cooperate in improving social and economic environment in the territories where indigenous minorities live.

In mid-March, Nornickel pledged to restore fauna habitats in Norilsk's vicinity that may have been affected by the fuel spill. This pledge is laid out in the agreement signed between the company's unit - JSC NTEK – and the Krasnoyarsk Territory government.

Finally, we are fully committed to the highest standards of corporate governance. Management remuneration is linked to ESG performance, we have a balanced board led by an independent chairman and carry out comprehensive and transparent annual ESG reporting. We recently announced changes to our governance structure, giving more power to each of our three divisions to handle operational management. This will increase the level of responsibility of the local employees, strengthening industrial safety and environmental risk management, and improving efficiency.

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Changes do take time, but we are fully resolved to see them through and make sure that both our employees and local communities feel safe and fully supported, and see real benefits of our transformative efforts.

For more information on the above topics, please see Nornickel's [website](#) which contains details of all of our ESG activities, and in particular:

### **Environmental**

- [Sustainability and ESG highlights](#), with links to every area of our sustainability operations
- [Announcement of payment of spill damages](#)
- [Information on spill cleanup](#)
- [Information on Sulphur Project](#)
- [Information on Nickel plant closure](#)
- [Information on smelting shop closure](#)

### **Social and indigenous relations**

- [Information on indigenous people](#)
- [Information on local communities](#)
- [Agreements to promote the social and economic development of Norilsk](#)
- [Agreement with the FAEA](#)
- [Information on the agreement between NTEK and the Krasnoyarsk government](#)
- [Start of compensation payouts to indigenous communities](#)

### **Governance**

- [Governance highlights](#)
- [Announcement of changes in governance structure](#)