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PJSC MMC Norilsk Nickel
Indigenous Peoples Policy
(Policy of Engagement with Indigenous Small-Numbered
Peoples)

1. Scope of the Policy applications

- 1.1. This Indigenous Peoples Policy (hereinafter referred to as the Policy) establishes the operating principles, obligations in the field of interaction with the Indigenous Small-Numbered Peoples in the territory of residence and traditional economic activities of which the PJSC MMC Norilsk Nickel (hereinafter referred to as the Company) and Russian organizations of the corporate structure of Norilsk Nickel Group (hereinafter referred to as ROCS NN) operate.
- 1.2. The requirements if the Policy are mandatory for execution by the employees of the Company and ROCS NN. The Company also expects that its contractors and suppliers that operate on the territory of residence and traditional economic activities of Indigenous Small-Numbered Peoples will follow the principles and provisions of this Policy.
- 1.3. The provisions of the Policy are applicable:
 - 1.3.1. To the specific Indigenous Small-Numbered Peoples of the Russian Federation, namely the Nenets, Enets, Dolgan, Nganasan and Evenki in the Taimyr Dolgano-Nenets Municipal District of Krasnoyarsk Krai, the Sami in Murmansk Region, and the reindeer herders belonging to the Nenets and Komi Peoples in Murmansk region.
 - 1.3.2. To the area encompassing the sociocultural significance for Indigenous Small-Numbered Peoples that live within the area of influence of the operations of the Company and ROCS NN. The area of influence of the investment and operation of the Company and ROCS NN shall be delimited based on the actual and potential impact on Indigenous Small-Numbered Peoples and on the geographical areas encompassing the extent of sociocultural significance to the respective Indigenous Small-Numbered Peoples taking into account interlinkages between traditional occupation, historical migration, subsistence and migration patterns of animals, the spiritual interconnection as well as linkages between culture and biodiversity.
 - 1.3.3. To the current and future operation of the Company and ROCS NN. It regulates the current and future relationship between the Company and ROCS NN and the Indigenous Small-Numbered Peoples.
 - 1.3.4. To all operations, investments and initiatives of the Company that factually or potentially concern Indigenous Small-Numbered Peoples. This includes ancillary facilities: gas extraction and transportation, generation and transmission of electric power, port infrastructure, roads, and air services.
 - 1.3.5. To all stages of the operation of the Company and ROCS NN, including exploration, design, construction, extraction, smelting, refining, manufacturing of finished products,

marketing and sale of non-ferrous and precious metals as well as closure of mine.

- 1.3.6. To the direct financial support for the Indigenous Small-Numbered Peoples, depending on circumstances, to the development and implementation of the direct financial support by the Company and ROCS NN for the Indigenous communities and non-profit organizations as well as individuals belonging to Indigenous Small-Numbered Peoples.
- 1.3.7. In specific circumstances and on a case-by-case basis to the implementation of the existing and future agreements signed between the Company and ROCS NN and the representative bodies and entities of Indigenous Small-Numbered Peoples.

2. Respect for and recognition of the rights of Indigenous Small-Numbered Peoples

- 2.1. The Company recognizes both the collective rights as well as individual rights of Indigenous Small-Numbered Peoples stipulated in the legislation of the Russian Federation and international law. In particular, the Company in its operations takes into account the collective rights of the Indigenous Small-Numbered Peoples to their traditional lands, territories and resources therein. The Company also takes into account that the sub-surface natural resources, according to the legislation of the Russian Federation, belongs to the state ownership. The Company takes into account the collective rights of the Indigenous Small-Numbered Peoples to decision-making.
- 2.2. The Company regards the self-identification as a fundamental criterion for identifying the membership to specific Indigenous Small-Numbered Peoples.
- 2.3. The Company recognizes that the traditional way of life of Indigenous Small-Numbered Peoples encompasses economies, occupations, crafts, tangible and intangible culture, dignity, values, spirituality, beliefs, language, traditional knowledge and historical and cultural connections to their ancestral lands.
- 2.4. The Company recognizes and respects the rights of Indigenous Small-Numbered Peoples in accordance with the provisions of the legislation of the Russian Federation, including in particular the Federal Law on Guarantees of the Rights of the Indigenous Small-Numbered Peoples of the Russian Federation, Federal Law on the Organization of Communities of Indigenous Small-Numbered Peoples of the North, Siberia and the Far East, and the Federal Law on the Territories of the Traditional Nature Use of the Indigenous Small-Numbered Peoples of the North, Siberia and the Far East of the Russian Federation. The Company recognizes and respects the rights of Indigenous Peoples enshrined in the relevant international instruments, including in particular the United Nations Declaration on the Rights of Indigenous Peoples and the International Labour Organization Convention (No. 169) on Indigenous and Tribal

Peoples, 1989 (hereinafter "ILO Convention 169"). The Company strives to follow in its operations the most comprehensive provisions on the rights of Indigenous Peoples stipulated in in both the legislation of the Russian Federation and the international legal instruments.

- 2.5. Interaction with Indigenous Peoples is based on the provisions of the United Nations Agenda 2030 for Sustainable Development and Guiding Principles on Business and Human Rights adopted by the United Nations, and is consistent with the principles of the UN Global Compact. The Company voluntarily adheres to the Position Statement on Indigenous Peoples and Mining of the International Council on Mining and Metals (ICMM) and the Initiative for Responsible Mining Assurance (IRMA) Standard for Responsible Mining. The Company will follow the Global Reporting Initiative (GRI) standards. The Company adheres the recommendations of international standards ISO 26000:2010 and AA1000SES, 2015.
- 2.6. This Policy is applied in conjunction with Company's other policies and documents.

3. Obligations and operation principles in the field of interaction with Indigenous Small-Numbered Peoples

3.1. Recognizing the self-determined development priorities

The Company shall respect the self-determined development priorities of the Indigenous Small-Numbered Peoples in accordance with Article 7 of ILO Convention 169, whereby Indigenous Peoples "shall have the right to decide their own priorities for the process of development as it affects their lives, beliefs, institutions and spiritual well-being and the lands they occupy or otherwise use, and to exercise control, to the extent possible, over their own economic, social and cultural development." The Company will respect the dignity of Indigenous Small-Numbered Peoples and their intention to maintain quality of social life with a view to achieving the highest possible level of physical and mental health. The Company respects the history, views and preferences of the Indigenous Small-Numbered Peoples, their distinctiveness, traditions, heritage and the natural environment upon which they rely. Interacting with Indigenous Small-Numbered Peoples the Company is guided by the provisions of the Responsibility Standard for the residents of the Artic zone of the Russian Federation for interaction with the Indigenous Small-Numbered Peoples of the Russian Federation residing and performing traditional economic activities in the Artic zone of the Russian Federation. Furthermore, the Company recognizes the provisions stipulated in the Article 15(2) of ILO Convention 169, as well as IFC Performance Standard # 7 of the International Finance Corporation (hereinafter "IFC PS7"), providing opportunities for the Indigenous Small-Numbered Peoples to be informed about and participate in the designing of, and benefit from, Company's investments and operations that concern them, in a culturally-appropriate way, fulfilling their aspirations for economic, social and cultural development. Such

participation will be ensured through the mechanisms of due diligence, broad consultations and Good Faith negotiations and implementation of the principle of free prior and informed consent (hereinafter referred to as FPIC), in cases when it is required.

3.2. Acknowledging vulnerabilities of the Indigenous Small-Numbered Peoples

The Company recognizes the vulnerabilities the Indigenous Small-Numbered Peoples to the following factors of natural and anthropogenic impact: climate change, natural disasters, and threats to their sociocultural and linguistic diversities and biological diversity.

3.3. Recognizing the rights to decision-making

The Company recognizes the rights of the Indigenous Small-Numbered Peoples to decision-making using culturally-appropriate parameters, including the traditional consensus building process. A priority objective of this Policy is recognition and implementation of the right of Indigenous Small-Numbered Peoples to participate in decision-making on issues that concern them through their representative customary institutions, bodies and mechanisms. The Indigenous Small-Numbered Peoples shall be provided lead time necessary to deliberate on the Company's projects planned for implementation in the territories of Indigenous Small-Numbered Peoples among the community members and to reach collective decisions. This includes the possibility for specific communities to elaborate on the decision-making mechanism in cases of their absence.

3.4. Committing to culturally-appropriate consultation, dialogue and disclosure

The Company recognizes the importance of dialogue and partnership with Indigenous Peoples. The Company recognizes the right of Indigenous Small-Numbered Peoples to information and shall seek to disclose information in accordance with the standards of the IRMA and the requirements of ICMM, and the other standards adopted by the Company. The Company shall consult the Indigenous Small-Numbered Peoples in a culturally-appropriate way in all stages of its investments and operations through planning, realization monitoring and adjustment. The Company shall strive to hold dialogue and good-faith negotiation with the Indigenous Small-Numbered Peoples and shall ensure the work of a grievance redress mechanism.

3.5. Eliminating social discrimination

The Company and ROCS NN shall not tolerate any social discrimination against Indigenous Small-Numbered Peoples, in particular, with regard their access to employment and corporate healthcare and social assistance programmes, equal pay for equal work, the right of association. The Company and ROCS NN shall provide equal

opportunities for organizations of Indigenous Small-Numbered Peoples for cooperation with the Company and ROCS NN.

3.6. Developing relationship with the Indigenous Small-Numbered Peoples

The Company develops relationship with Indigenous Small-Numbered Peoples based on the principle of self-determined development of the Indigenous Small-Numbered Peoples and in particular through the proactive and culturally-appropriate support, including possibilities of direct financial and technical development assistance to communities, non-profit organizations of Indigenous Peoples and Indigenous individuals.

3.7. Enforcing Worker's Code of Conduct

The Company shall require its employees and employees of ROCS NN, and contractors to comply with the principles and provisions of this Policy. The Company plans to enforce a self-standing Workers' code of conduct in relation to the Indigenous Small-Numbered Peoples, consistent with this Policy, for the employees in Taimyr Dolgano-Nenets Municipal District of the Krasnoyarsk Krai and the Murmansk Region.

3.8. Allocation of financial resources to the organization of engagement

The Company shall allocate adequate financial resources required for the planning, assessment, consultation, negotiation on disclosure, negotiation, monitoring and evaluation of the activities pertaining to the Indigenous Small-Numbered Peoples. The financial resources shall be additional to the direct cost to be incurred by the Company for the engagement with Indigenous Peoples.

4. Avoidance, minimization and mitigation of potential impacts

The Company and ROCS NN commit in all its current and future operations to avoid potential impacts on the Indigenous Small-Numbered Peoples.

Where this is not avoidable, they commit to minimize and mitigate the potential adverse impact on the Indigenous Small-Numbered Peoples in the following critical categories: (a) the natural environment; (b) the socioeconomic, cultural, spiritual and political conditions; and (c) the health and safety of Indigenous Small-Numbered Peoples.

4.1. Potential impact on lands or acquisition of the land under traditional occupation and/or living

The Company recognizes that the relationship of the Indigenous Small-Numbered Peoples to land is tied with their identity, unique way of life and traditional economic activities. Thus, the impact on the land, including the limitation or loss of access to land, as well as environmental degradation, affects the identity, livelihood and culture of those affected

Indigenous Small-Numbered Peoples. Conducting due diligence, the Company identifies lands used for traditional occupations and/or residence of Indigenous Small-Numbered Peoples, and is looking for possibilities of using alternative lands. If necessary, seizure of lands occupied by Indigenous Small-Numbered Peoples, the Company strives to carry out good faith negotiations and obtain FPIC of the affected Indigenous Small-Numbered Peoples. This provision of the Policy applies to cases of using new lands for industrial purposes, including for auxiliary facilities (power lines, gas pipelines) and related structures (roads, port).

4.2. Potential extraction of the sub-surface resources

If the Company or ROCS NN intend to begin geological exploration of a new production site or development of a new mine in territories of traditional residence and/or traditional economic activities of Indigenous Small-Numbered Peoples, they must carry out preliminary due diligence measures, including a comprehensive environmental and social impact assessment, careful consultation with relevant Indigenous Peoples, and also inform the public of their intentions.

4.3. Potential use of the critical surface resources

The Company recognizes critical dependency of Indigenous Small-Numbered Peoples on the natural resources including renewable water and biological resources, as well as their significance for the livelihoods, food security, culture, occupations and identities of Indigenous Small-Numbered Peoples. The Company shall respect the right of Indigenous Small-Numbered Peoples to maintain, control, protect and develop their intellectual property over traditional knowledge on genetic resources, seeds, medicines, knowledge of the properties of fauna and flora. The Company takes into account consultations with Indigenous Small-Numbered Peoples prior to formulating and introducing environment protection and impact mitigation plans in territories of residence and occupations of Indigenous Small-Numbered Peoples. Taking into account that the main occupations of the Indigenous Small-Numbered Peoples are reindeer husbandry, fishing, hunting, gathering and handicrafts, the Company shall avoid adverse impacts on the biological diversity and the living environments for the wild and domesticated animals (including the migration patterns and routes of reindeers and other animals), fish, and plants including herbs with medical properties. The Company shall undertake the due diligence, including a comprehensive environmental and social impact assessment, meaningful consultations with the concerned Indigenous Small-Numbered Peoples and the public disclosure of information. The Company shall adopt effective measures to protect surface and water resources from contamination or other adverse impact. The Company shall immediately inform the Indigenous Small-Numbered Peoples of any industrial disaster. In the event of technological incidents at the Company's production sites that may lead

to a negative impact on the environment and biodiversity on the lands of Indigenous Small-Numbered Peoples and on waters used by Indigenous Small-Numbered Peoples, the Company conducts an ethnological examination in accordance with the legislation of the Russian Federation. The Company shall consult the Indigenous Small-Numbered Peoples to share the research information on the disaster and to deliberate and agree on a mitigation and compensation plan. The Company shall use a broader approach in identifying the impacted Indigenous Small-Numbered Peoples' settlements and communities, taking into consideration not only definitely impacted areas but also potentially impacted ones.

4.4. Potential physical relocation

The Company recognizes that physical relocation of the Indigenous Small-Numbered Peoples is among the most consequential adverse impact. The Group shall avoid any physical relocation their respective settlements, communities and households, in particular for industrial purposes. In exceptional circumstances, when a physical relocation is required for safety, health or emergency reasons, the Company shall carry out due diligence and conduct the Good Faith Negotiations in compliance with the IFC PS7. Physical relocation of the Indigenous Small-Numbered Peoples shall imply culturally appropriate, equitable and fair compensation and relocation conditions shall be stipulated in the agreement between the Company or ROCS NN and the Indigenous Small-Numbered Peoples, along with other terms and conditions that may be required to mitigate the disruption of their way of life. The Company shall not proceed with physical relocation without acquiring the FPIC of the Indigenous Small-Numbered Peoples. The Company recognizes the right of Indigenous Small-Numbered Peoples to return to their traditional lands or places of their past residence if the reasons for the relocation are no longer in effect.

4.5. Avoiding potential impact on the reindeer herding, hunting and fishing

The Company recognizes that the traditional occupations of Indigenous Small-Numbered Peoples are important elements of their life, tied to their cultures and identities. The Company and ROCS NN shall undertake a due diligence in order to avoid any adverse impact on the traditional occupations of the Indigenous Small-Numbered Peoples. Construction of new road, pipeline, helicopter landing pad and other ancillary facilities and associated structures that may affect traditional occupations shall require consultations and Good Faith Negotiations with and some cases FPIC from the Indigenous Small-Numbered Peoples. The Company and ROCS NN shall avoid any adverse impact on the productive capacity of reindeer herding, hunting and fishing.

4.6. Empowering the representative and decision-making bodies and entities

The Company recognizes that the Indigenous Small-Numbered Peoples in the area of influence of its investment and operation are represented by various traditional and formal institutions, organizations and their entities, including representative bodies and associations of the Indigenous Small-Numbered Peoples, communities, elders, occasional and permanent ad hoc decision-making bodies as well as recognized local leaders. The Company and ROCS NN shall use due diligence in order to identify these legitimate representative bodies and entities that represent the Indigenous Small-Numbered Peoples as it relates to the specific site and situation context in a manner consistent with the principles embodied in the ICMM Position Statement on Indigenous Peoples. Self-identification of Indigenous Peoples shall be used as the key criterion. The Company recognizes that these institutions and organizations have determining roles in collective decision-making by Indigenous Small-Numbered Peoples in negotiations pertaining Company's investments and operations.

4.7. Avoiding potential impact on sacred sites

The Group recognizes the Indigenous Small-Numbered Peoples honor sacred sites, including burial sites and abode for ancestral spirits according to beliefs and traditions, and that these sites are associated with the intangible spiritual values and have critical cultural significance. The Company commits to respect these sites with reverence. The Company shall provide financial support to the Indigenous Small-Numbered Peoples to identify and map such sacred sites. The Company and ROCS NN shall make this information accessible for all employees and representatives of contractors working in the areas of traditional residence and traditional economic activities of Indigenous Small-Numbered Peoples. The Company shall provide Indigenous Small-Numbered Peoples an accessible grievance redress mechanism by which to report to the Company any entry onto, and desecration and destruction of, the sacred and burial sites by employees and representatives of contractors. The Company and ROCS NN shall strive to immediately act on such reports and undertake measures to protect the sacred sites. Reports of entry onto, and desecration and destruction of, the sacred sites by employees and contractors of the Company and ROCS NN shall be carefully investigated and followed up by penalizing those responsible, conveying official apologies and reconciling in a culturally appropriate way.

4.8. Avoiding potential exposure to hazardous waste materials

The Company and ROCS NN shall exercise responsible waste management and due diligence in order to ensure that the Indigenous Small-Numbered Peoples are not exposed to any hazardous waste materials. The Company and ROCS NN shall consult Indigenous Small-

Numbered Peoples on, and informed about, the waste management plans, including on the composition, potential impact, storing spots and transferring methods and routes of waste materials. The waste management plans shall accommodate for animals' migration routes, reindeer herding areas, seasonal hunting and fishing sites, and other factors. The Company shall provide Indigenous Small-Numbered Peoples an accessible grievance mechanism by which to report to the Company any exposure to hazardous materials resulting from the Company's operations. The Company shall immediately act on such reports and undertake measures to eliminate the reported exposure to waste.

4.9. Avoiding sexual harassment and potential exposure to newly imported diseases

The Company and ROCS NN shall safeguard the health of the Indigenous Small-Numbered Peoples living in its area of influence in non-urban communities and shall implement a responsible health policy in order to avoid any exposure of the Indigenous Small-Numbered Peoples to diseases imported by employees and representatives of contractors. This policy shall enforce measures to exclude cases of harassment and sexual intimidation by employees and representatives of contractors towards representatives of the Indigenous Small-Numbered Peoples. The Company and ROCS NN recommend the employees and contractors operating in rural Indigenous communities to undertake regular health surveillance and periodic communicable diseases testing. Cases of possible violation of these provisions shall be carefully investigated. The Company shall take immediate measures to mitigate any health consequences including providing high-quality healthcare for any affected individuals.

4.10. Avoiding potential mental health impact

The Group recognizes that violation of the rights of Indigenous Small-Numbered Peoples, including dispossession from lands, water contamination, reduction of biological resources, desecration of sacred and burial sites, disrespect to their culture and traditional occupations, transmission of communicable diseases and offensive actions towards them may result in mental health problems. The Company recognizes that these mental health impacts in turn may pose risks to general social wellbeing among the Indigenous Small-Numbered Peoples including alcoholism, rise of criminality and suicide. The Company and ROCS NN commits to avoid negative mental health impacts due to its operations. The Company and ROCS NN commit to contributing to the wellbeing, including the mental health, of the Indigenous Small-Numbered Peoples residing within the Company's area of influence.

4.11. Avoiding potential adverse impact on social sub-groups

There are specific social sub-groups within the Indigenous Small-Numbered Peoples, including elders, women, children and persons with disabilities. The Company shall pay an increased attention to such social sub-groups. The Company recognizes that the elders and women among the Indigenous Small-Numbered Peoples enjoy a respect from community members and play an important role in decision-making. The Company recognizes that, interfacing with the external parties, these social sub-groups are at risk of being exposed to additional vulnerability and subjected to disproportionate adverse impacts of industrial operations, including on their physical and mental health. Nomadic reindeer herders, while living in remote areas such as tundra, being dependent on the traditional reindeer herding for subsistence, and having limited access to information and communication technology, have limited access to consultations and negotiations with the Company. These social sub-groups are therefore at risk of being excluded from the agreement-making process with the Company and ROCS NN and from equitable access to the compensation and benefits from the Company. While implementing this Policy the Company and ROCS NN shall conduct separate consultations with these social sub-groups.

5. Fundamental principles of avoiding, minimizing and mitigating potential impacts

The Company and ROCS NN commit to conduct all future operations in consistency with the following fundamental principles:

5.1. Due diligence and consultations

The Company and ROCS NN shall conduct, in all investments and operations, the due diligence including seeking prior written approval for exploration, conducting an Environmental and Sociocultural Impact Assessment, in a mutually appropriate way. If the Company owns 50% in the authorized capital of another Russian organization implementing projects in the territory of residence and economic activity of Indigenous Small-Numbered Peoples, then the Company will invite this organization to adopt its own Policy in the field of engagement with Indigenous Small-Numbered Peoples. At the proposal of Indigenous Small-Numbered Peoples, or at the suggestion of the Company, approved by Indigenous Small-Numbered Peoples, the Company and Indigenous Small-Numbered Peoples can establish working groups, councils and committees (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples).

5.1.1. *Seeking prior approval for geological exploration.*

The Company and ROCS NN shall seek prior approval from the representative bodies and entities of the Indigenous Small-Numbered Peoples to conduct the geological survey and exploration of proposed areas of residence and economic activities of Indigenous Small-Numbered Peoples.

5.1.2. *Conducting the Environmental and Sociocultural Impact Assessment.*

The Company and ROCS NN shall conduct a comprehensive Environmental and Sociocultural Impact Assessment pertaining to the proposed Company's investment and operation in order to determine the nature, extent and degree impacts on the Indigenous Small-Numbered Peoples (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples). In accordance with the legislation of the Russian Federation, the Company conducts ethnological examination in certain cases.

5.1.3. *Public disclosure of the Environmental and Sociocultural Impact Assessment and outcomes of the Ethnological examination.*

The Company and ROCS NN shall disclose the Assessment on the proposed investment and/or operation to the affected settlement, community or social group through their representative bodies and entities in a mutually appropriate manner, including through face-to-face gatherings, and if mutually agreeable through distribution of hard copies in appropriate languages, including Indigenous languages.

5.2. Good Faith Negotiation and Consultations with Indigenous Small-Numbered Peoples

5.2.1. For acquiring the FPIC of the concerned Indigenous Small-Numbered Peoples, the Company and ROCS NN shall conduct proper negotiations prior to reaching the agreement between the Company or ROCS NN and the settlement, community or social group impacted by the Company's operation.

5.2.2. The negotiations shall be conducted with an aim to reach fair and just agreement between the Company or ROCS NN and concerned Indigenous Small-Numbered Peoples. Negotiations shall be conducted consistent with the IFC PS7 and the ILO 169 Article 6(2).

5.2.3. The negotiations should deliberate on the Indigenous Peoples Plan and the Benefit sharing Mechanism, and in particular, (a) the specific roles and responsibilities of both parties and specific commitments; (b) the agreed governance and time-bound implementation/delivery mechanisms to meet each party's commitments for the implementation of the IPP and BSM; (c) arrangements pertaining to continued access to lands; and (d) contribution to development.

5.2.4. The negotiations shall be conducted in a culturally appropriate manner to both sides. The Company shall conduct the negotiations with full participation of and without undermining the role and authority of the legitimate traditional and contemporary representative bodies and entities of Indigenous Small-Numbered Peoples identified within the due

diligence process. The venue of the negotiations between the parties should be the impacted settlements and villages to allow attendance of all social sub-groups in the meetings. The Company shall allow adequate lead time to the impacted Indigenous Small-Numbered Peoples for their self-organization and determination of priorities, negotiation positions, focal points and contact persons.

5.2.5. The Company or ROCS NN shall identify the representative bodies and entities and invite them to engage in constructive dialogue and consultations, and, if necessary, shall offer support and contribute to build their capacity to participate in a dialogue and engagement process.

5.2.6. The Company or ROCS NN and Indigenous Small-Numbered Peoples may set up open-ended working groups, councils or committees that facilitate the engagement of and dialogue with Indigenous Small-Numbered People. These working groups, councils or committees shall defer to the concerned settlement, village, community or social sub-group to reach agreement directly on a specific FPIC or compensation packages. These working groups, councils or committees shall be consultative bodies where organizations, representative bodies and entities, communities and decision-making bodies are regularly invited. The working groups, councils or committees determine their methods of work and may consider, in an open and transparent manner, issues related to the implementation of the Policy as well as other issues of concern, including the principles of engagement, Indigenous Peoples Plans, development and grant programs.

5.3. Indigenous Peoples Plan

5.3.1. The Company shall draft the Indigenous Peoples Plan (IPP), based on the Environmental and Sociocultural Impact Assessment, as well as Ethnological examination, identifying the nature, extent and degree of adverse impacts and the proposed measures to avoid, minimize and mitigate the adverse impacts. The Company shall prepare the IPP in order to avoid, minimize and mitigate the potential adverse impacts on the impacted settlements, communities and social sub-groups. It shall incorporate a fair and just compensation and disbursement package, where applicable, based on a negotiated agreement with the concerned Indigenous Small-Numbered Peoples.

5.3.2. The Group shall consult the impacted settlements, communities and social sub-groups, on the design, priorities, implementation and monitoring of the IPP. The IPP shall propose different in particular financial mechanisms to support

socioeconomic development, quality of life and wellbeing of Indigenous Small-Numbered Peoples and their territories of traditional residence. These plans may include but are not limited to support for clean environment, traditional occupations and crafts, indigenous employment and businesses, safeguarding and restoration of reindeer herding, language and culture, educational and capacity building programmes for Indigenous Small-Numbered Peoples (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples).

- 5.3.3. Where physical relocation of settlements and villages is required, the IPP shall incorporate a Resettlement Action Plan (RAP) detailing nature and extent of such relocation and the proposed terms of and time-line for the relocation as well as for restoration of livelihood of the impacted communities of Indigenous Small-Numbered Peoples to the previous level. Where relevant, such an IPP shall incorporate the agreed Benefit-Sharing Mechanism (BSM) outlining the proposed benefits that shall accrue to the impacted settlements, communities and social sub-groups.
- 5.3.4. The IPP, including the RAP and BSM where applicable, shall be disclosed in a culturally appropriate manner. When necessary, the Group shall, in agreement with the Indigenous Small-Numbered Peoples concerned, update the IPP and or RAP.

5.4. Benefit-Sharing Mechanism

In certain instances, the Company shall establish a Benefit-Sharing Mechanism (BSM) that includes compensations for the adverse impacts and investments in the sustainable development of Indigenous Small-Numbered Peoples, whose territory of residence and economic activity is impacted by the Company. The BSM shall describe opportunities for the impacted Indigenous Small-Numbered Peoples to equally participate in Company's programmes assisting sustainable development and investments to the concerned Indigenous Small-Numbered Peoples according to their development priorities. The BSM may include the following provisions: generation of local employment within a safe working environment, providing priority to local procurement, assisting on priority basis the indigenous-owned businesses. The Mechanism may include support for capacity building of Indigenous Small-Numbered Peoples' organizations, improvements in local physical infrastructure, organization of educational and leisure tours and medical services, grant programs, food transportation, transportation opportunities, compensation of communal expenditures, improvement of housing and technical assistance for households. The BSM shall be subject to consultations with the respective Indigenous Small-Numbered Peoples (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples).

5.5. Free, Prior and Informed Consent

- 5.5.1. Under specific circumstances detailed here, in which the rights of Indigenous Small-Numbered Peoples may be significantly adversely affected, the Company and ROCS NN shall undertake the proposed investment and operation only with the Free, Prior and Informed Consent (FPIC) of the concerned Indigenous Small-Numbered Peoples. The FPIC shall be established through Good Faith Negotiation between the Company or ROCS NN and the impacted settlement, community or social sub-group.
- 5.5.2. The Group recognizes that the FPIC has three critical thresholds. a) *Free* (from intimidation, coercion, manipulation and harassment); b) *Prior* (consultation undertaken early in the conceptualization and design phases of the proposed activity providing the time necessary for Indigenous Peoples to undergo their own decision-making process); and (c) *Informed* (Indigenous Peoples have information about all the essential aspects of the planned activity). The Company shall defer to the definition of FPIC provided in the ICMM Position Statement on Indigenous Peoples and the international standards.
- 5.5.3. The Company and ROCS NN shall seek, acquire and document the FPIC of the Indigenous Small-Numbered Peoples in following specific circumstances where the Company's operation impacting traditional way of life and lands under occupation, traditional ownership or customary use by Indigenous Small-Numbered Peoples proposes to undertake:
 - 5.5.3.1. Industrial use or development of recourses that may impact Indigenous Small-Numbered Peoples, their territories of residence and traditional economic activities, in particular: sub-surface recourses (for example, extraction of minerals or gas); commercial use of natural and biological surface recourses (for example, timber, fish, reindeer); cultural resources (for example, artifacts, handicrafts, traditional knowledge of Indigenous Small-Numbered Peoples).
 - 5.5.3.2. Land acquisition for construction of physical infrastructure, including the ancillary facilities (for example, power sub-station and transmission line, gas pipeline, shipyard, helicopter landing pad) and associated structures (for example, road network, ports), excluding the infrastructure in shared use with Indigenous Small-Numbered Peoples.
 - 5.5.3.3. Physical relocation of families from their site of residence in a settlement or a village.

- 5.5.3.4. Demolition and/or relocation of the sacred sites (burial grounds, spiritual territories)
- 5.5.3.5. Transportation routes, storage locations and methods and dumping of chemicals and hazardous materials.

However, the FPIC is not required in cases of joint projects of the Company and ROCS NN, Indigenous Small-Numbered Peoples and their organizations, and third parties, or projects realized or co-realized by the Company by request of Indigenous Small-Numbered Peoples, such as cultural events, educational and capacity building activities, support for indigenous-led businesses, and investments in social infrastructure of settlements by request of local authorities, such as helicopter landing pads, energy and port infrastructure.

- 5.5.4. If mutually accepted, the Company and ROCS NN shall document process of negotiations between the Company and impacted Indigenous Small-Numbered Peoples, and the evidence of agreement between the parties as the outcome of the negotiations. The FPIC agreement reached between the Company or ROCS NN and the concerned settlement, community, obshina, or social sub-group shall be documented through signing of a written agreement that shall contain the conditions for FPIC and shall include necessary annexes such as Resettlement Action Plan. The signatories to the agreement are representatives of the Company or ROCS NN and the Indigenous Small-Numbered Peoples represented by a permanent or a temporary representative and / or decision-making institution (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples).

5.6. Grievance Redress Mechanism

The Company shall ensure the permanent work of a Grievance Redress Mechanism (GRM) that is accessible and accountable with the function to process complaints and recommendations regarding the implementation of this Policy. The Company shall consult the Indigenous Small-Numbered Peoples on a regular basis regarding the work of such mechanism and shall collect feedback to improve its efficacy. The GRM shall take into account the traditional conflict resolution mechanisms of the Indigenous Small-Numbered Peoples and shall be culturally appropriate. The GRM shall be managed by a third party that is independent from the Company but accountable to the Indigenous-Small Numbered Peoples. The Company shall prepare and disclose an annual report of the work of GRM (the principle is disclosed in more detail in the Regulations on the implementation of principles to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples).

6. Monitoring, Reporting and Auditing

The Company undertakes the following measures aimed at monitoring, evaluating and assessing the implementation of this Policy:

- 6.1. Organizes an internal mechanism to monitor, evaluate, report and communicate the implementation of this Policy, Indigenous Peoples Plans, any agreement, and any program or initiative related to the Indigenous Small-Numbered Peoples.
- 6.2. Analyzes activities related to the rights of Indigenous Small-Numbered Peoples and reports in accordance with the ICMM guidelines, takes into account the UN Global Compact and UN Guiding Principles for Business and Human Rights for reporting on its activities with stakeholders, including Indigenous Peoples, strives to disclose information in accordance with the standards of the Initiative for Responsible Mining Initiative (IRMA).
- 6.3. Keeps record of and documents all formal commitments, agreements and arrangements with Indigenous Small-Numbered Peoples in order to provide access to this information for current and future generations who are affected by the decisions and to maximize transparency in the decision-making process. By request of Indigenous Small-Numbered Peoples, some specific information shall not be disclosed to public.
- 6.4. Reports on its engagement with Indigenous Small-Numbered Peoples and Indigenous Small-Numbered Peoples' rights protection activities in the ROCS NN Sustainability Report and the Company's Annual Report for the respective year, as well as in other non-financial reports on economic, social and environmental performance in accordance with the Global Reporting Initiative (GRI) standards.
- 6.5. Every three (3) years undertakes an independent audit of the Indigenous Small-Numbered Peoples programs, including verification of the reporting documents of ROCS NN. The audit shall be carried out by independent experts on Indigenous Peoples. It shall be carried out by evaluating the results of stakeholder engagement as per the standard of the International Council on Mining and Metals (ICMM).

Information regarding the implementation and monitoring of this Policy is accessible on a special webpage of the Company dedicated to the Indigenous Small-Numbered Peoples.

7. Support for communities and organizations of Indigenous Small-Numbered Peoples

The Company strives to provide mutually appropriate support of activities related to sustainable development of the Indigenous Small-Numbered Peoples, through different kinds of support including financial and technical support to their communities, obshinas, small enterprises and organizations of Indigenous Small-Numbered Peoples, recognizing their right to self-determined development. The Group strives to assist indigenous-led businesses, handicrafts and trades in order to strengthen their economic capacity. When requested, the Company commits to assist in building the capacity of communities, obshinas, organizations of the Indigenous Small-Numbered Peoples, in areas that they prioritize the most.

8. General provisions

- 8.1. If necessary, the Company shall update this Policy due to changes in the legislation of the Russian Federation or by mutual agreement with Indigenous Small-Numbered Peoples.

9. Responsibilities

- 9.1. Responsibility for improper organization and failure to monitor compliance with the requirements of this Policy lies with the Vice President for Federal and Regional Programs.
- 9.2. Responsibility for untimely introduction of changes and additions to this Policy are the responsibility of the Vice President for Federal and Regional Programs.