

Summary of the draft Indigenous Peoples Policy of PJSC «MMC «Norilsk Nickel» (Policy of Engagement with Indigenous Small-Numbered Peoples)

The Policy of Engagement with Indigenous Small-numbered Peoples (hereinafter referred to as the Policy) establishes requirements for engagement of PJSC «MMC «Norilsk Nickel» (hereinafter referred to as the Company) with Indigenous Small-Numbered Peoples of the North, regulates the list and sequence of actions in various situations of interaction with Indigenous Small-Numbered Peoples or impact on their lands, environment, health, culture, way of life and traditional occupations. The Policy establishes mechanisms to avoid, minimize and mitigate potential impacts on Indigenous Small-Numbered Peoples (hereinafter referred to as Indigenous Peoples).

The Policy consists of two parts – the policy itself and the methodology for its implementation. This document is a summary; the full text of the draft Policy is available for review on paper in local administrations of settlements of Taimyr and Murmansk region, and is also distributed electronically by the consultation operator – the Union of Indigenous Peoples «SOYUZ» (KMNSOYUZ) and through Indigenous Peoples' organizations.

The Policy states the Company's commitment to respect the rights of Indigenous Peoples in accordance with Russian legislation and current international and industry standards. The Policy is binding for all employees of the Company, its auxiliary and subsidiary structures, contractors and subcontractors.

The Company applies this Policy in relation to specific Indigenous Small-Numbered Peoples of the Russian Federation, namely: Nenets, Enets, Dolgans, Nganasans and Evenks in the Taimyr Dolgano-Nenets municipal district of the Krasnoyarsk territory and the Saami in the Murmansk region. The Policy also applies to Nenets and Komi reindeer herders in the Murmansk region.

The Policy emphasizes the Company's commitment to avoid impacts on Indigenous Peoples in all of its current and future investments and operations. In cases where impacts cannot be avoided, the Company will take measures to minimize and mitigate adverse impacts on Indigenous Peoples, with particular emphasis on the environment, socio-economic, cultural, spiritual spheres, health and safety.

The Policy is based on the following fundamental principles:

- recognition of individual and collective rights of Indigenous Peoples,
- recognition of Indigenous Peoples' own development priorities,
- recognition of the vulnerability of Indigenous Peoples from various factors of natural and anthropogenic impact,
- recognition of the right of Indigenous Peoples to participate in decision-making on issues that affect them,
- eradication of discrimination,
- development of equal, respectful dialogue and long-term cooperation with Indigenous Peoples,
- allocation of adequate resources to organize engagement with Indigenous Peoples.

The Company is committed to implementing mechanisms that include the participation of Indigenous Peoples in decision-making, such as:

Due Diligence. The Company will conduct a comprehensive risk assessment of all investments and operations in the territories where Indigenous Peoples live and conduct economic activities, including by assessing the potential impact on the environment and socio-cultural sphere, in a manner acceptable to both parties. Before commencing operations, in consultation with Indigenous Peoples, the Company will research the nature and extent of anticipated impacts and identify affected Indigenous Peoples' groups, their representative bodies and organizations.

Indigenous Peoples Plan. In cases where projects are implemented in territories where Indigenous Peoples live and conduct economic activities, the Company will develop Indigenous Peoples Plans based on environmental and sociocultural impact assessments. The Plan will be developed in consultation with Indigenous Peoples and proposes measures to avoid, minimize and mitigate adverse impacts, as well as measures for monitoring the implementation of the Plan and to compensate where necessary.

Principle of free, prior and informed consent (hereinafter referred to as FPIC). In circumstances where the rights of Indigenous Peoples may be significantly affected, the Company will undertake proposed investments and operations only upon the acquisition of FPIC of the relevant Indigenous Peoples or their communities. The principle provides for full and early information, good faith consultations, taking into account the views of Indigenous Peoples and respect for their independently made decisions. Indigenous Peoples may give or withhold consent, give consent under certain conditions, or withdraw it if the Company fails to comply with the agreed conditions.

Good Faith Negotiations. The Company negotiates with and consults Indigenous Peoples, their communities, social groups affected by the Company's investment and operations. Negotiations are conducted on an equal basis, with respect for traditions and decision-making systems of Indigenous Peoples. The focus is on knowledge and capacity building of Indigenous Peoples and information disclosure, as well as it also assumes the possibility of changing the starting negotiation positions of the parties.

Grievance Redress Mechanism. The Company ensures the permanent and accessible operation of an independent grievance redress mechanism – the ombudsman, which is appointed in consultation with Indigenous Peoples. The mechanism receives, documents and communicates to the relevant divisions of the Company complaints and recommendations regarding the implementation of this Policy, as well as any activities that affects Indigenous Peoples. The mechanism may offer the Company solutions to controversial situations, but the final decision is made by the Company itself. The mechanism includes the possibility of appeal.

Benefit Sharing Mechanism. In consultation with Indigenous Peoples, the Company is developing benefit sharing mechanisms that include both compensation for negative impacts and investments in the sustainable development of Indigenous Peoples. The Company's Policy is aimed at promoting the sustainable socio-economic development of Indigenous Peoples in accordance with their priorities. The Policy regulates mechanisms for consultation regarding making agreements, providing targeted assistance, financial and technical support to communities, small businesses and organizations of Indigenous Peoples. The Policy provides a framework for the Company to assist in capacity building of communities and organizations of Indigenous Peoples in areas that they deem most relevant.

Monitoring, reporting and auditing. The Company, in consultation with Indigenous Peoples, organizes periodic independent monitoring and evaluation of the implementation of this Policy.