



APPROVED
by resolution of the Board of Directors
of PJSC "MMC "Norilsk Nickel"
No. GMK/31-pr-sd of September 18, 2017

Local Community Relations Policy

Objective

PJSC "MMC "Norilsk Nickel" (the "Company" or "Nornickel") strives to make a significant contribution to the sustainable development of local communities across its footprint and to maintain an ongoing dialogue with stakeholders to ensure that their interests are taken into account. The Company is among Russia's largest taxpayers, and, as a major employer, plays an important role in supporting local communities.

This Policy aims to maintain favourable social climate and comfortable living standards across the Company's footprint providing employees and their family members with broader opportunities for their creative pursuits and self-fulfilment.

This Policy defines the key elements of the Company's approach to local communities and regional development initiatives across its footprint.

This Policy should be read in conjunction with the [Code of Business Conduct](#), [Health and Safety Policy](#) and other by-laws of the Company.

Scope

This Policy covers all stages and processes throughout the production cycle, including exploration, production, concentration, refining, end products, marketing and sales of non-ferrous and precious metals, as well as the shutdown of mining operations, various production units and divisions of the Company across its locations. The Company takes all the necessary and reasonably possible steps to cause all of its subsidiaries to comply with the key principles and provisions of this Policy. To the extent possible, the Company also expects its contractors to comply with the principles and provisions of the Policy.

General information

Nornickel contributes to better lives for the local communities affected by the Company's operations across its geographic reach. Nornickel factors in their interests, views and preferences, as well as history, culture, traditions, way of life and historical heritage. The Company conducts regular surveys of local communities and studies the feedback received through corporate communications and the Corporate Trust Service.

The Company complies with applicable Russian and international laws, as well as agreements with the Russian and foreign federal and local public authorities.

Responsibilities and control

The Company's President is responsible for relations with the affected local communities, and controls compliance with this Policy, ensures that this Policy and the Company's other by-laws meet the best international standards and applicable legal requirements in the field of local community relations.

The Company has dedicated divisions dealing with the local community and sustainable regional development initiatives on a day-to-day basis. Social responsibility issues at Nornickel's foreign subsidiaries are addressed by respective business units of such subsidiaries.

Commitments

Nornickel is committed to dialogue with stakeholders and to making a positive impact on the quality of life in local communities. The Company creates conditions and opportunities for local communities to develop freely to make the social environment and institutions in urban areas more attractive across its geographic reach. The Company's priorities in this field are to support local social initiatives, to encourage people to cooperate and to boost social capital.

The Company focuses on the following as its priority local community commitments:

Analysis and Assessment

- Identify, define and analyse local communities, other stakeholders or groups of persons, including those that may be adversely affected by the Company's operations or be particularly vulnerable to such impacts
- Identify stakeholders in the local communities based on their willingness to interact, common interests and the ability to cooperate with the Company under formal procedures
- Develop a formal system for identifying stakeholders or groups of stakeholders
- Analyse the social environment in the respective regions on a regular basis

Cooperation

- Establish and maintain dialogue with the local community relying on the principles of cooperation, respect for interests and legal compliance
- Organise consultation sessions with the groups of stakeholders particularly affected by the Company's operations
- Participate in a direct dialogue with the local communities during negotiations, in joint working groups, standing committees, conferences and forums, meetings and working sessions, and also as part of project implementation and through the Corporate Trust Service
- Provide updates on the Company's development plans, prospects and possible changes in the employment terms for local community workers to help them understand the actual and potential effects of Nor Nickel's operations across its footprint
- Ensure that the guiding principles of public relations are properly explained to all affected representatives of the local communities
- Sign cooperation agreements and coordinate appropriate arrangements with regional authorities
- Support the work of the Corporate Trust Service, which collects, registers and reviews complaints and grievances from the local communities

Development and Interaction

- Interact with the local communities taking into account their customary practices, traditions and gender issues
- Take into account any and all opinions expressed by the members of the affected local communities and other stakeholders, including unprotected and socially disadvantaged groups
- Develop cooperation with local businesses across the Company's locations
- Participate in the construction and maintenance of social infrastructure in order to create accessible and comfortable working and living conditions across the Company's footprint
- Support local cultural and sporting events held at the federal and regional levels
- Support and develop corporate charity programmes
- Support local vocational training institutions and contribute to the development of their material, technical and educational potential

Control

- Analyse and control the Company's impacts on the local communities and implement infrastructure development programmes across the Company's footprint
- Engage local community representatives in the monitoring and assessment initiatives
- Take account of events involving local communities and monitor issues under review, results of local community engagement efforts and assumed commitments
- Review, in a proper and timely manner, issues raised by stakeholders representing the local communities

- Monitor legislative developments and update this Policy and other relevant programmes and by-laws to make sure that they comply with Russian laws across the Company's locations

Reporting

- Report, in a timely and accurate manner, on the progress of local infrastructure development initiatives and participation of the Company's business units in those initiatives; disclose relevant information in annual corporate social responsibility reports in accordance with the international reporting standards
- Inform about the accomplishment of the required targets and the schedule for local infrastructure development in its annual corporate social responsibility reports

Feedback

- Conduct annual surveys of participants of the social and charity programmes to collect feedback

Initiatives

The Company regularly publishes detailed information about its local community initiatives in the corporate social responsibility and annual reports. Among other things, such initiatives include:

- the *World of New Opportunities* charitable programme;
- the *Plant of Goodness* corporate volunteer programme;
- the regional social policy for relations with public authorities and local communities;
- the *Our Home* and *My Home* programmes;
- mass sporting events;
- building a fibre optic communication line between Novy Urengoy and Norilsk;

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- the long-term target programme to relocate people living in Norilsk and Dudinka (Krasnoyarsk Territory) to the Russian regions with favourable climate conditions in 2011–2020;
- the long-term target programme to upgrade and develop social and engineering infrastructure and housing in Norilsk and Taimyrsky Dolgano-Nenetsky Municipal District in 2011–2020.