

**APPROVED**

**by resolution of the Board of Directors
of PJSC MMC Norilsk Nickel**

passed on February, 2, 2018 No. GMK/3-pr-sd

Biodiversity Policy

Objective

Biodiversity is the variety of biological species coming from different habitats. According to the United Nations' Convention on Biological Diversity, this concept embraces the variability among ecosystems, living organisms, genes and environmental processes sustaining life on Earth. The natural diversity of ecosystems ensures the constant supply of pure products and greatly contributes to the cultural and aesthetic development of communities.

Intensive development of natural resources poses a threat to biodiversity across the globe. PJSC MMC Norilsk Nickel (the "Company" or "Nornickel") recognises the importance of biodiversity conservation. This Policy therefore aims to establish the core principles and practical steps for the Company to take in pursuing its business objectives.

Responsibility

The Company is a major player in the global metals and mining sector. Nornickel's operating activities include the mining and processing of natural resources, with the Company assuming responsibility for mitigating potential environmental impacts.

The Company therefore invests in an extensive production upgrade programme covering all of its sites. Cutting harmful emissions is one of Nornickel's key objectives in its attempt to support the conservation of biodiversity across the Company's footprint.

Nornickel is committed to cooperation with government agencies and environmental organisations on matters pertaining to biodiversity and seeks to take an active part in conservation activities.

Commitments

Nornickel seeks to mitigate the environmental impact across its locations. To this end, the Company introduces new or alternative technologies where they are technically or financially feasible.

The Company observes all the applicable environmental laws of the Russian Federation, while Nornickel's Environmental Management System is fully compliant with ISO 14001:2015.

Initiatives

The Company introduces new technologies to improve the environmental management quality.

Nornickel regularly participates in landscaping programmes within its footprint. Such programmes seek to clean up and improve public spaces, protect water sources and water area reserves, revamp tourist camping sites, and implement landscaping initiatives.

Pursuant to the Russian laws, Nornickel's design documents must have a section describing the Company's environmental protection and control initiatives to track changes across the ecosystem resulting from ongoing construction or operations. The Company complies with all the applicable environmental protection laws.

The significance of specially protected natural areas

The Company's Polar Division is located some 80–100 km away from the buffer zone of the Putoransky Reserve (the Krasnoyarsk Territory), while Kola MMC's sites are some 15 km away from the Pasvik Nature Reserve and 10 km away from the Lapland Biosphere Reserve (the Murmansk Region). Bystrinsky GOK is located 50 km away from the Relict Oaks State Reserve (the Trans-Baikal Territory).

Nornickel acknowledges that specially protected natural areas are essential for biodiversity conservation, as they are zones untouched by human activities, with their flora and fauna living in harmony with nature.

Taimyr Peninsula

The Putoransky State Nature Reserve was included on the UNESCO world heritage list in 2010. It covers a total area of 1,887,000 ha and is part of the Joint Directorate of Taimyr Nature Reserves, which was established in 2012 by bringing under its management all of the Taimyr Peninsula's state nature reserves, including the Putoransky, Taimyrsky and Big Arctic reserves, as well as the Purinsky and Severozemelsky natural protected areas.

The Putoransky Reserve and the Company jointly implement environmental initiatives. Moreover, the reserve is involved in Nornickel's *World of New Opportunities* charitable programme.

Kola Peninsula

The Pasvik State Nature Reserve is featured as one of the Wetlands for the Shadow List of Ramsar Sites (the Ramsar Convention) under the name of Fjarvann – Schaanning's Field Base. It covers a total area of over 14,000 ha. With an area of 278,000 ha, the Lapland State Nature Biosphere Reserve is one of Europe's largest and Russia's oldest nature reserves (founded in 1930). In 1985, it was included in the UNESCO Network of Biosphere Reserves.

The key areas of cooperation between Nornickel and the Pasvik and Lapland Reserves include environmental monitoring and vegetation restoration.

Trans-Baikal Territory

The oak grove in the Gazimuro-Zavodsky District is Siberia's only grove of natural origin that has survived to the present day. The grove spans 30,000 ha and is located along the Argun River.

Nornickel assists the local communities and government authorities in effectively protecting and exploring the ecosystems within the Relict Oaks State Reserve.

Reporting

Nornickel maintains an ongoing dialogue on biodiversity conservation with expert and environmental organisations and local communities. The Company's corporate website has relevant information on environmental campaigns and initiatives.

Nornickel regularly discloses information about its biodiversity conservation initiatives and their outcomes in the corporate social responsibility and annual reports.

Successfully implemented projects

1. Recovering the population of Siberian bighorn sheep

In partnership with the Putoransky State Nature Reserve, Nor nickel rolled out a large-scale *Save the Bighorn Together* programme. The bighorn, Putorana's snow sheep, can only be found on the Putorana Plateau and is listed on the Red Data Book. For several decades, the bighorn was considered an endangered subspecies, with the scientific community arguing about the size of its population. The implementation of the programme helped establish that the Putoransky State Nature Reserve is now home to a bit more than 800 bighorn sheep.

2. Protecting polar bears

The Company provides ongoing support for initiatives aimed at studying and protecting the Kara and Barents Sea polar bear populations. Jointly with the specialists of the Big Arctic Reserve, the Company regularly assesses the polar bears' migration patterns using air and satellite tracking systems. The obtained genetic and biometric data help scientists learn more about the most fearsome predator of the Arctic fauna. Nor nickel also seeks to raise awareness about the illegal hunting of polar bears in the Taimyrsky District of the Krasnoyarsk Region.

3. Raising environmental awareness in the Pasvik State Nature Reserve

Nor nickel has provided funding to build the Pasvik Reserve's state-of-the-art visitor centre in the settlement of Nickel. Its area spans 840 sq m comprising a permanent environmental exposition and hosting ecological seminars and conferences, dedicated film screenings and workshops. The multifunctional centre also plays host to various environmental forums. The Company has partnered the reserve experts to raise environmental awareness in the Pechengsky District of the Murmansk Region, including by spreading the environmental knowledge, teaching children and adults how to care about nature, and promoting the sustainable nature-focused tourism.

4. Maintaining Arctic fish populations

The Company's Polar Division has long been engaged in the recovery of the Yenisei River's biological resources. These efforts include a project to breed valuable fish species and release them into natural water bodies for further reproduction. In the summer of 2017, Nor nickel provided assistance in releasing 316,000 sturgeon fingerlings into the Yenisei River. This was the largest sturgeon release project in the Company's history. Such initiatives are of particular importance for the environmental balance of Russia's Arctic Zone, as fish is one of the main biological resources for the indigenous minorities of the North.

5. Developing the Relict Oaks State Reserve

Nor nickel has taken on a commitment to help develop the Relict Oaks State Reserve located in the Gazimuro-Zavodsky District of the Trans-Baikal Territory. This is a specially protected natural area stretching along the Russian-Chinese border. It has an area of 30,000 ha and features unique ecosystems that have remained untouched to the present day. Among them are the island woods with numerous rare

and endangered relict Manchurian, Far Eastern and Boreal plant and animal species. The project envisages the construction of a special base for reserve rangers and scientists with all the required equipment and communications. The reserve will also host education events for children and adults.

6. Rescuing the endangered lesser white-fronted geese

For many years, the Company has been providing support for a long-term programme focusing on the research and protection of lesser white-fronted geese (the Anatidae family) listed on the Red Data Book. Over this time, the scientists have managed to learn more about the bird's distribution across the Taimyr Peninsula and even track its wintering grounds. The successful completion of seven research expeditions to the outlying parts of the Putorana Plateau helped collect valuable data on the habits of this rare goose and develop a strategy to protect this species. Thanks to the programme, Taimyr is now home to around 4,000 lesser white-fronted geese.

7. *Let's Do It* environmental marathon

The environmental marathon for the Company's employees is held on an annual basis. The marathon seeks to promote environmental responsibility and support the joint volunteering initiatives of the employees and the local communities aimed at preserving the natural heritage. The marathon's environmental teams are made up of Nor Nickel's eco-conscious employees from Moscow office, Kola MMC facilities, the Polar Division and the Russian subsidiaries of the Company. As part of the project, a total of 75 environmental campaigns and initiatives have been launched, and over 1,000 trees and bushes have been planted. Those initiatives included an ecological quest to revamp the nature trail in the Lapland Biosphere Reserve, construction of titmouse houses for the Putoransky Nature Reserve, and a *Green Living Room* event held in the Pasvik State Nature Reserve's visitor centre. In 2017 alone, over 3,500 volunteers took part in the project.