



**NORNICKEL**

## **PRESS RELEASE**

**Public Joint Stock Company «Mining and Metallurgical Company «NORILSK NICKEL»**  
(PJSC “MMC “Norilsk Nickel”, “Nornickel” or the “Company”)

### **NORNICKEL DISAGREES WITH METHODOLOGY FOR CALCULATING DAMAGE CAUSED BY THE DIESEL FUEL SPILL**

**Moscow, July 8, 2020** - Nornickel, the world’s largest producer of palladium and high-grade nickel and a major producer of platinum and copper, announces that it disputes the amount of damage caused to the environment as a result of the diesel fuel spill, which has been calculated by the Federal Service for Supervision of Natural Resources Management (Rosprirodnadzor). At the same time, Nornickel reiterates its commitment to fully cover the cost of remediation of the environmental impact of this accident. Today, the company sent a letter to that effect to Rosprirodnadzor.

According to the Company, the calculations of damages caused to water bodies and soil made by the Yenisei Interregional Department of Rosprirodnadzor were based on certain assumptions, which led to distortion of the damage estimates and thus should be adjusted.

In particular, the maximum applicable multiple of 5x was applied in this calculation, which reflects the duration of pollutants having negative impact on a water body assuming that no measures have been taken to eliminate the impact (so-called “Kdl coefficient” or duration coefficient). Meanwhile, according to the prevailing legal practice, such a multiple due to being punitive in nature is applied only in cases when no efforts have been undertaken at all or no efforts have been undertaken over a long period of time to clean up pollution. Taking into account the Company's immediate response and launch of the clean-up of the diesel spill, applying the maximum multiple (“Kdl coefficient”) was not justified.

The existing judicial practice also refutes the justification of applying the maximum multiple to cases of pollution of water bodies with oil sub-products due to their solubility. Diesel fuel, which have been leaked to a water body, does not fall under the category of soluble pollutants, which are not feasible to collect from the water surface.

In the Company’s opinion, the volume of oil products which has been spilled to the water bodies has been also determined incorrectly, since their content in the water-fuel mixture, contaminated soil and sorbent collected in the HPP-3 area was estimated before the collection of oil products in this area was completed.

At the same time, the Company reiterates its commitment to fully cover the cost of remediation of the environmental impact of the fuel spill accident in line with the applicable legislation. Furthermore, Nornickel is ready not only to remediate the environmental impact, but also to completely restore the ecosystem of the impacted area in close cooperation with Rosprirodnadzor and other government agencies and organizations.

The Company has organized regular monitoring of the environment in the impacted area in order to receive objective measurement of the pollution levels and the effectiveness of clean-up efforts. The recent water tests taken by Rosprirodnadzor confirm that pollution levels in the water bodies were in line with the background maximum permissible levels of pollution (PDK).

Nornickel has already launched land recultivation program. The Company jointly with the leading Russian and international experts has been simultaneously looking for the best technologies and tools, which should help to restore the environment as much as possible.

The Company is offering cooperation to Rosprirodnadzor, other government agencies and independent experts, in order to prepare most efficient plan for environment rehabilitation. This work stream can be arranged within the intragovernmental commission, which has been set up by the Ministry of Natural Resources, as well as within an ad hoc working group.

#### FOR INFORMATION PURPOSES

Nornickel is running a major clean-up operation of the accidental diesel fuel spill from one of the Heat and Power Plant #3 (HPP-3) emergency fuel storage tanks. The HPP-3 area and adjacent land as well as water bodies nearby are being cleaned-up. Alongside with the Ministry of Emergency Situations (EMERCOM), a special assistance to prevent the spread of diesel in water bodies has been provided by the Marine Rescue Service group of Rosmorrechflot, and the special rescue divisions of Gazpromneft and Transneft.

According to EMERCOM's assessment, as of July 8, 2020, with the direct involvement of Norilsk Nickel, 33,401 cubic meters of fuel-water mixture was collected, including 25,702 cubic meters collected from the water bodies and 7,699 cubic meters collected from fuel and water pits. Some 188,502 tons of contaminated soil has been collected and transported, 140.2 km of river coastline and 271,720 square meters of contaminated land have been treated with sorbents. In total, 496 of personnel and 248 pieces of equipment have been involved in the clean-up by Norilsk Nickel and its partners.

On June 19<sup>th</sup>, the Minister of Emergency Situations, Evgeny Zinichev, reported to President of Russia, Vladimir Putin, that "We can say that the second phase of the liquidation of emergency situation is nearing its end". The collected water-fuel mixture will be transported to a utilization site as part of phase three. At the final phase, full rehabilitation of the environment will be carried out.

#### ABOUT THE COMPANY

MMC Norilsk Nickel is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulphur and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland and South Africa.

MMC Norilsk Nickel shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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