



Appendix

APPROVED
by the Board of Directors of
PJSC MMC Norilsk Nickel
(Minutes No. GMK/31-pr-sd dated
July 17, 2023)

PJSC MMC Norilsk Nickel's Tailings Management Policy

Adopted to supersede PJSC MMC Norilsk Nickel's Tailings Management Policy approved by the Board of Directors, MoM No. GMK/36-ps-sd dated November 29, 2021

Effective as of July 17, 2023

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1. Scope and application limits

1.1. This Tailings Management Policy (the "Policy") defines the goals, principles, rules, requirements, and restrictions for PJSC MMC Norilsk Nickel's (the "Company") efforts to ensure the safe operation of tailings storage facilities throughout their life cycle.

1.2. This Policy applies to employees of the Company and the Russian Business Units of Norilsk Nickel Group (the "NN RBUs") involved in managing tailings storage facilities, including a range of activities related to exploration, mining, concentration, refining, finished products production, marketing, and sales of non-ferrous and precious metals, selenium, tellurium, and sulphur.

1.3. The Policy is a foundational document that informs decision-making on tailings management at the Company and NN RBUs, and on the development of regulations surrounding tailings management that detail the provisions of this Policy. This Policy shall not govern issues related to the operational control of the compliance with occupational safety requirements at the Company and NN RBUs.

1.4. The Company promotes the goals, principles, and commitments set out in this Policy among its employees, establishing greater accountability for ensuring the safe operation of tailings storage facilities throughout their life cycle.

1.5. The key rules for documenting operations, maintaining document flow, and ensuring the security of records at the Head Office are set out in the Guidelines on Records Management at the Head Office of MMC Norilsk Nickel, the Regulations on Preparing Records and Managing Archives at the Head Office of MMC Norilsk Nickel, and in local regulations on records and archive management at standalone units / NN RBUs.

2. Goals and objectives

2.1. As a signatory to the UN Global Compact, the Company is fully committed to the UN Sustainable Development Goals (the "SDGs"), in particular SDG 3: Good Health and Well-being, SDG 6: Clean Water and Sanitation, SDG 12: Responsible Consumption and Production, and SDG 15: Life on Land. Despite the fact that all tailings storage facilities operated by the Company and NN RBUs are located at a significant distance from production facilities and communities, the Company and NN RBUs recognize tailings storage facilities as higher-risk assets with significant potential environmental and social impacts.

2.2. The Company and NN RBUs ensure the safe operation of their tailings storage facilities, regularly monitor the condition of hydraulic structures, and inspect discharge sites, as well as adjacent areas.

2.3. The Company and NN RBUs continue to build up and leverage a comprehensive knowledge base, while developing measures to protect whistleblowers and employees submitting improvement suggestions for tailings management, as well as other incentives.

2.4. The Company has established the Corporate Trust Line (the "CTL") to ensure any stakeholder may file his/her complaint or query in relation to the safety of a tailings storage facility. The CTL provides feedback to such persons about how their complaints and queries have been addressed.

2.5. Key goals and objectives in tailings management are presented in Table 1.

Table 1. Goals and objectives in tailings management

No.	Goal	Objectives
1	2	3
1.	Responsibly manage tailings storage facilities, as well as reuse and recycle as much mineral processing tailings as possible	<ul style="list-style-type: none"> – ensure the safe operation of tailings storage facilities throughout their life cycle, including their design, construction, operation, care and maintenance, and closure, and establish relevant KPIs for their operational staff; – tailor construction and operation technologies to the unique technical, engineering, geological, geodesic, and chemical characteristics of each tailings storage facility; – adopt best practices, standards, and best available technologies to ensure and maintain the effective and safe operation of tailings storage facilities; – search for technology solutions to ensure reusing and recycling of mineral processing tailings to the fullest extent possible
2.	Ensure safety and mitigate risks throughout the life cycle of tailings storage facilities. Seek to reduce the risks of emergencies to zero	<ul style="list-style-type: none"> – monitor tailings storage facilities and evaluate their technical condition; – ensure the integrity and safety of tailings storage facilities, enable timely responses to changes during their life cycle; – ensure that relevant systems, standards, material and financial resources are in place to prevent potential emergencies; – ensure a mature and effective risk management framework is in place
3.	Disclose information on the safe operation of tailings storage facilities	<ul style="list-style-type: none"> – publish materials on the safety of tailings storage facilities on the Company's website

3. Principles, requirements and restrictions

3.1. Key principles of tailings management are presented in Table 2.

Table 2. Principles of tailings management

No.	Principles of tailings management
1	2
1.	Improve the management of, and control over, the Company's and NN RBUs' tailings storage facilities throughout their life cycle
2.	Promote greater management accountability for handling of mineral processing tailings
3.	Manage tailings in line with Russian laws and regulations, and taking into account the requirements of ICMM, IRMA, and the Global Industry Standard on Tailings Management
4.	Adopt best practices and best available technologies to ensure and maintain the effective and safe operation of tailings storage facilities
5.	Hold events to ensure corporate resource planning and allocation
6.	Manage relevant risks and changes when operating tailings storage facilities
7.	Ensure that appropriate emergency preparedness and response plans are maintained and updated. Conduct regular drills and trainings in emergency response, taking into account the hazard classification of a tailings storage facility and Russian law
8.	Conduct regular inspections and maintain proper technical condition, including by running emergency response drills involving regional branches of EMERCOM, in line with Russian law
9.	Publish up-to-date information on performance targets in tailings management on the Company's and NN RBUs' websites
10.	Maintain compulsory insurance for tailings storage facilities in operation as stipulated by Russian law

3.2. Key requirements and restrictions in tailings management are presented in Table 3.

Table 3. Key requirements and restrictions in tailings management

No.	Requirements and restrictions in tailings management
1	2
1.	Ensure compliance with Russian laws related to management of tailings storage facilities and mineral processing tailings
2.	Monitor and oversee the activities of Company production units operating tailings storage facilities
3.	Monitor the environment condition and pollution within the sites or impact areas of tailings storage facilities, and take follow-up response measures
4.	Reuse and recycle as much mineral processing tailings as possible
5.	Monitor and, where necessary, make changes to the management framework within the existing roles and responsibilities to effectively manage risks
6.	Set requirements for employees' skills and experience, and conduct training on programmes for the safe operation of tailings storage facilities that have been developed by the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia (Rostekhnadzor), as well as expert and research organisations, taking into account global trends to ensure conformity with best practices

No.	Requirements and restrictions in tailings management
7.	Engage experts, business partners, and local communities on the safe operation of tailings storage facilities and their associated risks
8.	Oversee the allocation of the necessary resources (financial, operational, and human) for tailings management
9.	As part of the corporate risk management framework, integrate a tailored approach to each tailings storage facility, considering its specifics, geographical location and the presence of any nearby social infrastructures. Improve methods for monitoring the condition and evaluating performance. Monitor and analyse possible changes in the operation of tailings storage facilities, and update documents on tailings storage facilities throughout their life cycle
10.	Update the emergency response plans for existing tailings storage facilities and develop new plans for new facilities, specifying roles, scope of responsibility, and procedures for informing local communities and regional authorities about the consequences of potential incidents, and conduct regular emergency response drills and training
11.	Taking account of operating and capital costs, as well as necessary human resources in planning and managing the operation of tailings storage facilities
12.	Continuously improve the procedures for analysing internal and external environments as part of risk management and submit risk management reports to the Company's management
13.	Analyse major accidents at tailings storage facilities in the mining industry (including outside Russia), and use the findings to further assess the potential operating risks of the Company's and NN RBUs' tailings storage facilities

4. Policy coverage

4.1. The Policy primarily covers tailings storage facilities, including:

- hydrotransport systems;
- tailings storage systems;
- recirculating water supply systems;
- environmental protection systems;
- hydraulic structure monitoring systems.

5. Policy owners

5.1. Key tailings management policy owners are presented in Table 4.

Table 4. Policy owners

Governance bodies	Key responsibilities
1. Board of Directors	
The Company's Board of Directors	<ul style="list-style-type: none"> – approves PJSC MMC Norilsk Nickel's Tailings Management Policy and amendments thereto; – decides on strategic matters related to tailings management; – reviews management reports on the progress of strategic tailings management initiatives

Governance bodies	Key responsibilities
Sustainable Development and Climate Change Committee of PJSC MMC Norilsk Nickel's Board of Directors	<ul style="list-style-type: none"> – follows up on the progress of the Company's tailings management strategy; – monitors the quality and performance of material tailings management initiatives; – issues recommendations to the Board of Directors on the implementation of the tailings management strategy; – reviews reports from the Company's management on matters related to tailings management; – reviews the Audit Committee's recommendations on the effectiveness and quality of risk management and internal control related to tailings management; – reviews PJSC MMC Norilsk Nickel's Tailings Management Policy and amendments thereto
2. Management Board	
Risk Management Committee under the Management Board of MMC Norilsk Nickel	<ul style="list-style-type: none"> – oversees key risks associated with tailings management; – ensures a response to key risks associated with tailings management is enacted; – issues recommendations to the Company's Management Board on key risks associated with tailings management
3. Departments of the Company's Head Office	
Sustainable Development Department	<ul style="list-style-type: none"> – coordinates the integration of, and compliance with, the requirements of international standards, leading associations, and practices in tailings management; – ensures disclosure of information related to tailings management on the corporate website and in public non-financial reporting; – where necessary, initiates audits for compliance of tailings storage facilities with international standards
Ecology Department	<ul style="list-style-type: none"> – follows up on the progress of programmes for environmental conservation, industrial environmental control, monitoring, remediation, and/or compensation of negative environmental impacts within the sites or impact areas of tailings storage facilities; – coordinates the activities of Company divisions and NN RBUs to align them with the requirements of Russian environmental laws for design, construction, operation, care and maintenance, and closure of tailings storage facilities; – assesses the efficiency of managing the environmental risks associated with the operation of tailings storage facilities, including the efficiency of measures aimed at preventing and mitigating environmental risks

Governance bodies	Key responsibilities
Department of Civil Defence, Emergency Prevention and Fire Safety	<ul style="list-style-type: none"> – annually monitors the emergency preparedness of governing bodies, manpower, resources and emergency rescue services of a tailings storage facility's operator, including preparedness to safe flood (high waters) discharge
Production Process and Environmental Risks Monitoring Centre	<ul style="list-style-type: none"> – conducts inspections for high and critical-level production process and environmental risks to review the quality of risk assessment and identify areas for improvement in managing production process and environmental risks surrounding tailings management; – follows up on the progress of risk management measures addressing the inspected risks
Risk Management Service	<ul style="list-style-type: none"> – develops company-wide risk management approaches and policies, and facilitates the adoption of company-wide risk management standards within the tailings management system, including identification, assessment, response, and follow-up; – follows up on the progress of initiatives to manage the Company's key risks, including with regard to tailings operation; – generates internal consolidated reports on managing key governance risks, including with regard to tailings management, subject to and based on risk management reports prepared by Company divisions and NN RBUs
Production and Technical Department	<ul style="list-style-type: none"> – coordinates the development, and follows up on the progress, of the Company's Production and Technical Development Strategy, including the provisions associated with tailings management; – reports to the Company's Board of Directors and Management Board on the implementation of the tailings management strategy; – initiates R&D for tailings management throughout the life cycle of tailings storage facilities; – follows up on the implementation of best practices in sustainability with regard to tailings management throughout the life cycle of facilities (design, construction, operation, care and maintenance, and closure), including the development and follow-up of standard operating procedures for tailings storage facilities throughout their life cycle; – verifies the availability of the necessary permits for tailings management

Governance bodies	Key responsibilities
Internal Audit Department	– assesses the performance of the risk management system
4. The Company's Divisions and business units	
Head of the Company's Division or NN RBU	<ul style="list-style-type: none"> – ensures the safe operation of tailings storage facilities throughout their life cycle in line with the rules and regulations in force in Russia, and with the requirements of leading international sustainability standards and associations approved in the Company's strategies; – ensures the availability of financial, production, and other resources associated with tailings management; – submits sustainability reports on tailings management, including risk management, to the Supervisor/Business Supervisor
Production units of the Company and NN RBUs operating tailings storage facilities	<ul style="list-style-type: none"> – safely operate tailings storage facilities throughout their life cycle in line with laws and regulations of the Russian Federation, local regulations of the Company and NN RBUs, as well as the requirements of international standards, leading associations, and practices in tailings management, integrated into the Company and NN RBUs; – cooperate with Russian state supervisory bodies overseeing the operation of hydraulic structures; – ensure external audits and field supervision; – manage tailings management risks (identification, assessment and prioritisation, choice of a response method, development and implementation of an action plan, and monitoring); – submit reports to the Head of the Company's Division or NN RBU on tailings risk management; – implement plans, programmes, and initiatives in line with the principles and commitments set out in the Tailings Management Policy to support the implementation of the tailings management strategy

6. Responsibility

6.1. The Director of the Production and Technical Department is liable for improper organisation or failure to monitor compliance with the requirements of this Policy.

6.2. The Director of the Production and Technical Department is responsible for making timely updates and amendments to this Policy.

7. General provisions

7.1. This Policy is subject to regular review by the Board of Directors (at least every 5 years).

Appendix A**Regulatory references**

This Policy makes references to the following regulations, whether corporate or otherwise:

Global Industry Standard on Tailings Management

The Global Industry Standard on Tailings Management, dated 5 August 2020, developed by the International Council on Mining and Metals (ICMM), the UN Environment Programme (UNEP), and the Principles for Responsible Investment (PRI) initiative

https://globaltailingsreview.org/wp-content/uploads/2020/08/global-tailings-standard_RU.pdf

ICMM requirements

ICCM members commit to adopt the ICCM's 10 Principles and eight position statements. These principles form a framework for the sustainable development of the metals and mining industry, and reflect the industry's best practices.

<https://www.icmm.com/en-gb/about-us/member-requirements>

IRMA requirements

Critical Requirements in the IRMA Standard

<https://responsiblemining.net/wp-content/uploads/2020/07/IRMA-Critical-Requirements-v.1.0.pdf>

P GO 42-004-2019

Regulations on Preparing Records and Managing Archives at the Head Office of PJSC MMC Norilsk Nickel

I GO 42-003-2019

Guidelines on Records Management at the Head Office of PJSC MMC Norilsk Nickel

Appendix B**Acronyms and abbreviations**

ICMM	The International Council on Mining and Metals, an international organisation dedicated to a safe, fair and sustainable metals and mining industry
IRMA	The Initiative for Responsible Mining Assurance, an international public organisation
Company	PJSC MMC Norilsk Nickel
EMERCOM of Russia	The Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters
R&D	Research and development works
UN	The United Nations, an international organization, whose purposes are to maintain and strengthen international peace and security, as well as develop cooperation among states
NN RBUs	Russian Business Units of Norilsk Nickel Group
CTL	Corporate Trust Line
PPER	Production process and environmental risks
SDG	Sustainable Development Goals

Appendix C**Terms**

Business Supervisor	A person who, in accordance with the Company's current internal regulations and taking into account opportunities stipulated by applicable laws, is responsible for overseeing the exercise of the Company's interests and the achievement of any goals and objectives of holding a stake in Norilsk Nickel Group business units, as well as the day-to-day operations of these business units and their interaction with the Company.
Company's management	The Board of Directors, the Management Board, and the Company's President.
Employee	An individual who has an employment relationship with the Company or a Russian business unit in the Norilsk Nickel Group, as defined by Russian labour law.
Head Office	A territorial unit of MMC Norilsk Nickel, with fixed workstations located in Moscow, St Petersburg, and Norilsk, whose organisational structure is approved by an order of the President of MMC Norilsk Nickel.
Mineral processing tailings	Materials left over after mineral processing with a low content of valuable components, the further recovery of which is technically impossible or not economically viable.
Production unit	A facility (a mine, plant, concentrator, etc.) that carries out production or business activities resulting in products and/or services, and that has its own organisational structure.
Sustainable development	Development that meets the needs of the present, without compromising the ability of future generations to meet their needs, through an integrated management approach focused on creating and multiplying long-term economic, social and environmental benefits.
Tailings storage facility	A collection of special facilities and equipment designed to store mineral processing waste.