

Friday, 12/4/2020  
Dr. Matthias Dohrn  
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Dear Ms. DeLuca, dear Mr. Sulyandziga,

Thank you for your letter. We appreciate civil society concerns as important support of our sustainability due diligence management. As you mentioned, BASF is strongly committed to fostering a responsible and sustainable battery materials supply chain.

Nornickel has experienced severe environmental incidents and has a legacy to tackle. Nornickel is aware of this, having acknowledged its responsibility in numerous statements, among others, most recently at its Capital Markets Day on 1<sup>st</sup> December 2020.<sup>1</sup>

What counts in our view, based on the UN Guiding Principles on Business and Human Rights, is the willingness of a company to work towards sustainability. We encourage this through our demand for continuous improvement as part of our sustainability expectations.

We closely follow and clearly see Nornickel's willingness and steps to improve, demonstrated by their actions and sustainability strategy, also recently published during Nornickel's Capital Markets Day.

Regarding the aspects you have raised in your letter, and referring to publicly available<sup>2</sup> information thereto, Nornickel (1) has assessed the environmental state and impact by commissioning the "Great Nornickel Expedition" with 35 researchers from 14 research institutions<sup>3</sup>, and undertook internal investigation on diesel spill through "Environmental Resource Management (ERM)"<sup>4</sup> (2) has set up an investment plan to substantially reduce SO<sub>2</sub> emissions (85% at Kola by 2021, 90% at Polar by 2025), leading inter alia to the closure of the smelter at Kola scheduled for 25th December 2020<sup>5</sup>, (3) has engaged with representative groups of indigenous people to address their needs, including preservation of natural habitat, re-cultivation of contaminated land and support of traditional activities as well as funding of housing-, medical-, infrastructural-, touristic-, educational-and cultural projects, based on an agreement with major indigenous associations<sup>6</sup>, and (4) has just recently confirmed its roadmap to adhere to good international industry practice as expressed in the International Council on Mining and Metals (ICMM) and Initiative for Responsible Mining Assurance (IRMA)

<sup>1</sup> See slides and material presented at Nornickel's Capital Markets Day, 1<sup>st</sup> December 2020, <https://www.nornickel.com/investors/cmd/>; cf. <https://www.reuters.com/article/us-russia-pollution-nornickel/russias-nornickel-says-it-will-spend-600-million-collecting-soviet-era-arctic-waste-idUSKBN28B5VD>.

<sup>2</sup> See Nornickel's update on relevant action at: <https://www.nornickel.com/news-and-media/press-releases-and-news/>.

<sup>3</sup> For more information: [https://www.nornickel.com/upload/iblock/426/norilsk\\_nickel\\_great\\_norilsk\\_expedition\\_september\\_15\\_2020.pdf](https://www.nornickel.com/upload/iblock/426/norilsk_nickel_great_norilsk_expedition_september_15_2020.pdf).

<sup>4</sup> For more information: [https://www.nornickel.com/news-and-media/press-releases-and-news/independent-assessment-of-the-causes-of-the-fuel-spill-incident-presented-to-the-board-of-directors/?redirect\\_url=/news-and-media/press-releases-and-news/&type=releases](https://www.nornickel.com/news-and-media/press-releases-and-news/independent-assessment-of-the-causes-of-the-fuel-spill-incident-presented-to-the-board-of-directors/?redirect_url=/news-and-media/press-releases-and-news/&type=releases).

<sup>5</sup> For more information see Nornickel 2019 Sustainability Report, available at: <https://www.nornickel.com/sustainability/reporting/>.

<sup>6</sup> For more information: <https://www.nornickel.com/news-and-media/press-releases-and-news/nornickel-announces-comprehensive-support-programme-for-the-taimyr-s-indigenous-peoples/?dateStart=46800&dateEnd=1606510799&type=releases>.



We create chemistry

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requirements.<sup>7</sup> All these efforts require high investments that Nornickel has communicated to its investors with a view to their sustainability commitment and strategy.

For further insights and exchange regarding Nornickel's measures, we encourage you to contact Nornickel's sustainability management team directly.

Thank you again for having shared your concerns.

Kind regards

A handwritten signature in blue ink, appearing to read "M. Dohrn".

Matthias Dohrn

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<sup>7</sup> See [https://www.nornickel.com/upload/iblock/6ba/Strategy\\_Day\\_Presentation\\_December\\_1\\_2020.pdf](https://www.nornickel.com/upload/iblock/6ba/Strategy_Day_Presentation_December_1_2020.pdf), slide 37.