



# **НОРИЛЬСКИЙ НИКЕЛЬ**

**ГОРНО-МЕТАЛЛУРГИЧЕСКАЯ КОМПАНИЯ  
ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО**

OPEN JOINT STOCK COMPANY  
MINING AND METALLURGICAL COMPANY  
NORILSK NICKEL

**ENDORSED  
by Resolution No GMK/62-p of  
the Council of Directors  
of OJSC MMC Norilsk Nickel  
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## **CODE OF BUSINESS ETHICS OF OJSC MMC NORILSK NICKEL**

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**Address by CEO and Chairman of the Management Board of OJSC MMC Norilsk Nickel V. O. Potanin**

Dear colleagues:

OJSC MMC Norilsk Nickel operates under global corporate management standards; we deem this approach as absolutely necessary for the Company that seeks a leading position in the world's mining and metallurgical sector.

We are fully aware that human resources are the main asset of the Company. OJSC MMC Norilsk Nickel employs thousands of people; we are all members of the same professional team, and the success of our business depends on the contribution of each employee and sharing of moral and ethical values of our corporate culture.

The world is constantly changing, and it is of paramount importance for each of us to have moral rectitude, principles and norms that will help us understand our tasks and goals and keep to the chosen vector in our daily actions and decisions.

This is the objective of the Code of Business Ethics. It is bound to lay down coherent rules of our professional conduct. The Code of Business Ethics is a logical supplement to the Ethics Code of OJSC MMC Norilsk Nickel enacted in 2003 to define moral and ethical norms by which Company personnel shall be guided in the line of their professional duties.

The Code of Business Ethics is a set of clear and firm moral and ethical guidelines for all staff of the Company – from rank and file employees to top managers. This is not a declaration; this is a reference book and a blueprint for action.

Our enterprises are located in five states on three continents, and this circumstance was taken into account in the elaboration of the Code of Business Ethics. We show respect and attention to local traditions with the unwavering observation of universal moral norms and ethical rules. The Code of Business Ethics sets universal individual and collective behavioral standards applicable to various communities in all countries of the world.

I am confident that compliance with the Code of Business Ethics will enable each of us to be proud of the fruit of our common work at the end of each working day.

Vladimir Potanin,  
CEO – Chairman of the Management Board

## Preamble

The Code of Business Ethics of OJSC MMC Norilsk Nickel (hereinafter “the Company”, “MMC Norilsk Nickel”) is a set of major rules of corporate behavior of the Company and its personnel, moral norms of the interaction inside the Company and with external parties, as well as other significant issues of business ethics rooted in the Company philosophy, fundamental values and business principles.

The Code of Business Ethics of OJSC MMC Norilsk Nickel (hereinafter “the Code”) is a keynote element of corporate governance, a tool assisting in the achievement of strategic objectives with the unified corporate behavioral policy shared by every Company employee irrespective of his or her official position.

The Company’s aspiration for the highest standards of civilized business derives from the understanding of the degree of its responsibility to business partners and the entire community. The Code of Business Ethics is based on observation of internationally acknowledged corporate governance principles elaborated by the Organization for Economic Cooperation and Development (OECD) and sanctioned with the Code of Corporate Conduct (endorsed by the Federal Security Markets Commission on 04.04.2002, Directive No421/r “On Recommendations for Use of the Code of Corporate Conduct”).

The objectives of the Code of Business Ethics are as follows:

- Establish unified criteria of acceptable behavior of the personnel within the Company and in their interaction with business partners, authorities and public organizations;
- Build and maintain an atmosphere of mutual respect, confidence and openness;
- Strengthen the Company’s reputation as an honest and responsible member of the global business community;
- Promote the investment appeal of the Company through the maintenance of the image of an efficient, reliable and socially responsible business partner;
- Establish unified, transparent and clear principles of the solution of possible conflicts;
- Develop unified corporate culture applicable to every territory of the Company’s presence.

The Code’s provisions shall be binding on for all Company employees in their professional activity.

## **1. THE COMPANY AND ITS CORE VALUES**

OJSC MMC Norilsk Nickel is the world's biggest producer of nickel and palladium and a leading producer of platinum and copper. The Company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulfur and sulfuric acid.

The Company is a leader in terms of corporate governance, openness and information transparency; it is a socially responsible business implementing technological modernization and environmental security programs.

### **OUR MISSION**

Production of essential commodities – non-ferrous and precious metals – in the most efficient and safest way and on a sustainable and long-term basis to foster social progress, improve people's well-being, and promote sustainable development of territories and well-being of residents of the regions of the Company's business operations and higher living standards of the Company's personnel.

### **OUR CORPORATE VALUES**

#### **Priority of personnel life and health**

Human resources are the main asset and a major factor of the successful development of the Company. MMC Norilsk Nickel operates a large number of hazardous industrial sites and uses hazardous substances in its technological processes; hence, it is fully aware of its responsibility for the life and health of employees. Our business prioritizes life and health of employees over industrial operations.

Human life is priceless for us.

#### **Efficiency**

As a joint stock enterprise, the Company regards efficiency and profitability as the primary objective of its activity. By upgrading our business processes, streamlining our expenditures, focusing on industrial modernization and investing in the development of manufacturing capabilities, we will ensure sustainable and continuous operation of the Company's plants for decades.

#### **Ecological compatibility**

Our business is directly linked with the development of natural resources of our country. Technologically complex and hazardous production binds us to give much attention to environmental issues. Being aware of our responsibility to future generations, we are seeking minimization of the environmental impact.

Strict observation of nature conservancy laws and international environmental treaties is our absolute duty.

#### **Social responsibility**

Being adherent to the socially responsible business strategy, we consistently solve socially significant tasks on all the territories of the Company's operations. As a socially responsible manufacturer, Norilsk Nickel MMC is engaged in charity projects, contributes to the accessible and comfortable infrastructure and conducts a socially responsible policy in the fields of

employment and social partnership. We believe that our efforts in the elaboration and execution of social programs will manifest our care for people living on the territories of the Company's operations and be appreciated by local communities.

### **Lawfulness**

Our entire activity complies with Russian laws and laws of the countries of the Company's operations. We strictly obey the letter of law and reject as unacceptable any compromises in legal affairs.

We stay tuned and constantly monitor legislation related to every sphere of our activity, which allows us to timely response to alternations and adjustment of the procedure of economic operations whenever that is necessary.

## **2. ETHICAL NORMS OF CORPORATE INTERACTION**

### **General principles of corporate interaction**

MMC Norilsk Nickel values the work of its employees and deems its duty the formation and maintenance of an atmosphere of amity, professionalism, mutual respect, cooperation and stability in labor collectives. We support the corporate spirit that unites all employees irrespective of their official positions as the single team of professionals sharing the same goal.

The Company sets ambitious tasks and is confident that their solution in the modern world would be impossible without constant professional development of personnel and an increase of their professional training level. So, we welcome every initiative of our employees to obtain new knowledge, to upgrade professional skills and to develop new forms of labor organization. Every employee wishing to improve his or her professional competences and to learn new technologies can be sure that this initiative will be supported and appreciated.

The Company thinks it necessary to have lasting relations with its employees and displays confidence and openness to the dialog. We prove our wish for stability with worthy salaries and social benefit packages and strict compliance with labor laws.

The Company expects employees to display mutual responsibility with:

- Scrupulous fulfillment of their professional duties and personal responsibility for their labor;
- Compliance with labor discipline and labor safety rules;
- Respect for and politeness to colleagues, superiors and subordinates;
- Acceptance of constructive criticism; and
- Zero corruption tolerance.

MMC Norilsk Nickel is particularly demanding to executives of all levels. Executives shall give personal examples of ethical behavior and inspire and bear corporate culture.

Main principles of the conduct of executives:

- Absolute respect for personality;
- Compliance with laws and internal regulatory documents;
- Respect for the opinion of others;
- Impermissibility of any forms of discrimination of subordinates;
- Strict control over compliance with labor safety rules;
- Prevention of engagement in corruptive practices of themselves and their subordinates;
- Knowledge and implementation of the provisions and norms of this Code.

**Interaction between the Company and its subsidiaries and controlled companies** The Norilsk Nickel Group operates through the interaction between the parent company, OJSC MMC Norilsk Nickel, and its subsidiaries and controlled companies (hereinafter “SCCs”). The efficiency of this activity depends on coordinated actions of the Company and SCCs under a common financial and economic policy.

OJSC MMC Norilsk Nickel achieves this goal by:

- Promoting consistent implementation of strategic tasks of the Norilsk Nickel Group;
- Providing managerial, methodological and other assistance to SCCs;
- Participating in the development of managerial and technological potentials of SCCs; and
- Assisting SCCs in personnel recruitment.

In turn, SCCs follow the Company’s common strategy by:

- Providing information and documents with regard to their managerial, industrial and human resources activities as need be; and
- Reporting on their operations under the Company’s regulations.

The awareness of the common global goals serves as the foundation for open, trustful and respectful relations between the Company and SCCs.

### **Protection of personnel rights**

Skilled and responsible personnel is the most valuable asset of the Company.

MMC Norilsk Nickel regulates labor relations in consistency with the standards of the International Labor Organization (ILC) and laws of the countries of the Company’s operations.

The Company manifests its wish to be a responsible party to labor relations by complying with labor laws, terms of industrial agreements, the collective agreement and labor agreements with employees.

We strictly obey by the principles of the prevention of any form of discrimination and forced labor and give each employee an equal chance for implementing their labor rights irrespective of gender, race, nationality, origin, material, social or official status, age, place of residence, religion, political convictions and other circumstances unrelated to the employee’s professional qualities.

The Company ensures equal opportunities to all employees for the use of their potential in the professional activity, an unbiased and fair evaluation of its results, and the selection and promotion of employees exclusively for their professional capacities, knowledge and skills.

While implementing the principle of social responsibility, the Company elaborates programs of social support and development of personnel and thus secures a number of socio-economic rights of its employees, such as the right to social security, education, family welfare, housing, freedom of creativity and participation in the cultural life.

### **Occupational health and industrial security**

Being guided by the principle of the priority of employees’ life and health, the Company insistently works on industrial security and occupational health. The industrial security and occupational health policy of OJSC MMC Norilsk Nickel sets out tasks, goals and commitments of the Company on occupational health and industrial security. We are doing the utmost to create a favorable and safe labor environment at our enterprises.

The Company has developed a multi-stage system of control over industrial security and occupational health; it is upgrading industrial security management systems and taking precautions against accidents and emergency situations. Employees are equipped with modern certified means of individual protection.

In their turn, employees shall strictly obey industrial manuals and labor safety directives, technological requirements and safe work procedures, always use means of individual security and pay attention to the safety of colleagues. An employee who sees dangerous actions and/or violations of labor safety rules by colleagues shall reprove them, being aware that unspoken criticism may lead to injuries and/or death of employees taking such dangerous actions.

Employees shall not start working unless:

- they are given labor safety instructions and/or relevant training;
- they have access to special clothes and other means of individual protection and/or such means are consistent with the work; and
- the work place is consistent with the requirements to occupational health and safety.

It is strictly prohibited to stay at the work place or to start working under the influence of alcohol, narcotics or any other stimulants.

### **3. INTERACTION BETWEEN THE COMPANY AND EXTERNAL STAKEHOLDERS**

The most significant external stakeholders of MMC Norilsk Nickel include shareholders and investors, business partners and competitors, authorities and public organizations operating in the territory of the Company's operations.

Openness and transparency, confidence and sincerity, respect and account of interest and responsible fulfillment of obligations are the main principles that the Company is guided by in its relations with external stakeholders.

#### **Shareholders and investors**

We regard the interests of owners of the Company's capital as a priority and do our best to meet their expectations and to ensure worthy dividends and increase in the price of the Company's stock.

The Company guarantees the provision and security of all rights of shareholders established by Russian laws. We also try to make their implementation very simple and efficient.

The Company realizes that its investment appeal depends not only on the financial performance but also on the quality of corporate governance and the level of information openness. Seeking a higher investment appeal, the Company follows standards of the world's best available practice and offers the investment community price-sensitive information: annual reports, quarterly reports of the stock issuer, annual and intermediate consolidated financial statements prepared under the International Financial Reporting Standards, annual and intermediate accounting statements under the Russian Accounting Standards, significant facts and disclosures of insider information, and research materials. We also have regular meetings with analysts and investors and organize visits of shareholders and investors to significant industrial facilities.

Our principles of interaction with the investment community are the following: providing current, full and reliable information and equal access of all investors to information.

#### **Government authorities and public organizations**



In its relations with government authorities and public organizations, the Company prioritizes the balance of interests of business, personnel, residents of the territories of the Company's operations and the society on the whole. Being one of the largest mining and metallurgical companies of Russia, we assume responsibility for the provision of government interests in the rational use of mineral resources, the introduction of innovative technologies and the creation of favorable working conditions.

Open, trustful and sustainable relationships with the authorities and local government are an indispensable condition for our business. The Company strictly complies with the laws; being the main employer and biggest taxpayer in the regions of its presence, it pays taxes and other compulsory duties fully and on time.

The Company does not obstruct the engagement of its employees in the political life, public organizations and trade unions but notes that such engagement is possible in the free time of the employees with the exception of cases specified by labor laws. A political or public standpoint of an employee cannot be regarded as a political or public standpoint of MMC Norilsk Nickel.

### **Business partners and competitors**

The Company interacts with business partners (clients, suppliers, contractors and consultants) on the principles of long-term cooperation, mutual benefit, respect and trust, and strict compliance with mutual commitments and current laws.

As business and public reputation of our partners are important for us, we carefully choose our suppliers and clients and give much attention to their business ethics. The Company deals only with partners whose business is legal.

The Company is a reliable and honest partner for its clients and strictly fulfills its obligations.

We are confident that business competition helps the Company develop and upgrade quality of its products and services, which, in the end, is beneficial for the whole society. Due to its substantial competitive advantages in terms of mineral resources, infrastructure, production and distribution, MMC Norilsk Nickel believes that fair competition is the only possible way of interaction with competitors. We think that any forms of unfair competition or abuse of the dominant position on the market are impermissible and adhere to the requirements of antimonopoly laws and competition laws in all countries of the Company's operations.

## **4. INFORMATION DISCLOSURE**

MMC Norilsk Nickel is an open joint stock company, whose stock is traded on a Russian stock exchange as ordinary shares and in foreign markets as Level 1 American Depositary Receipts. The public status binds the Company to honor the requirements of mandatory information disclosure established by national regulators and stock exchanges. Norilsk Nickel takes these commitments with full responsibility and discloses information via specialized servers.

In addition to compulsory information disclosure, the Company volunteers to disclose information, which is essential for investors and other interested persons. The information is published on the corporate website. By doing so, we ensure equal access of all market actors to essential information.

The Company has elaborated relevant local regulatory documents and introduced mechanisms of internal corporate security, which prevent untimely or unreliable disclosure of information, which may have an influence on stock price.

## 5. CONFLICT OF INTEREST AND PREVENTION OF CORRUPTION

MMC Norilsk Nickel believes in the loyalty of its employees and trusts them but it also realizes that various circumstances may create a situation in which personal interests of employees may conflict with the Company's interests. Such a conflict of interest may entail serious negative consequences for the Company – from lesser efficiency to reputational losses.

In order to rule out the possibility of such situations, employees shall be guided by the following rules:

- The employee shall not gain incomes or other revenues from any third persons for the execution of his or her professional duties at the Company;
- The employee shall not accept any gifts from any third persons that have business relations with the Company or seek such relations, with the exception of nominal tokens of appreciation and nominal souvenirs presented under universal rules of politeness and hospitality;
- The employee shall abstain from making decisions in his or her professional duties if they concern the interests of his or her family members, including:
  - taking part in the consideration and approval of promotions of family members in the Company; and
  - taking part in the consideration and approval of decisions with regard to commercial relations with organizations that employ him or her or his or her family members;
- The employee shall not use business relations which arise as a result of his work for the Company for personal advantage, such as:
  - obtain loans, work, services or commodities from business partners of the Company on terms that give the employee substantial advantages as compared with regular terms of operation of business partners of the Company. This rule does not apply to the terms of interaction with employees officially approved by business partners of the Company and coordinated with the Company (corporate programs for the Company personnel);
  - use his or her official position or relations with Company employees to create favorable conditions for his or her private business.

If the employee intends to apply for an elective position in government or municipal authorities, he or she shall inform the deputy CEO in charge of government relations and social policy about this decision.

The employee shall immediately inform his or her direct superior about the emergence of a conflict of interest.

Norilsk Nickel MMC has zero tolerance for any forms of corruption, because it undermines the foundation of civilized business and does harm to the country and the society.

Our goal is to exclude possibilities for corruptive practices at the Company. Therefore, the Company has created and constantly upgrades multi-level accounting and internal control systems to prevent thefts and abuse of office.

We realize that bribes may be given covertly (sponsorship, charity, gifts, services, and coverage of entertainment and other expenditures) and we warn our employees against taking ambiguous steps.

Every individual and legal entity that has business relations with the Company or seeks such relations must share our zero tolerance for corruption. We do not take or give bribes.

## 6. CORPORATE PROPERTY AND RESOURCES

Corporate property and resources are the backbone of our activity and the cornerstone of our business growth and long-term development. Therefore, care for the Company's property and its rational use are a token of our efficiency. All corporate resources – equipment, commercial and technological information, intellectual products and money – can only be used for work purposes.

All employees are responsible for corporate property in their custody. Protection of property from theft, damage or misuse is a direct duty of every employee.

Employees shall attentively read directives and follow the rules of handling equipment and resources laid down by local regulatory documents of the Company.

Protection of confidential information as a corporate resource is the necessary condition of our competitiveness. Due to the peculiarities of MMC Norilsk Nickel's operations, disclosure of confidential information may impair defense capacities of the country. For this reason, the Company constantly upgrades its systems of the protection of government and commercial secrets and demands that its employees strictly comply with the requirements of local regulatory documents with regard to information security.

## **7. ENVIRONMENTAL PROTECTION**

Environmental safety of industrial facilities and environmental protection are listed amongst the Company priorities. Being aware of the scale and complexity of environmental problems faced by the Company, MMC Norilsk Nickel is intending to gradually reduce and, wherever possible, prevent the environmental impact of our industrial operations.

We view environmental protection as an inseparable part of our business. MMC Norilsk Nickel has adopted an environmental policy to define key areas of the implementation of the Company's intentions related to environmental safety. The Company supports its contribution to sustainable development of Russia by streamlining its use of natural resources and constantly enhancing its environmental protection efforts. We strictly abide by the requirements of environmental protection laws, international agreements, international standard ISO 14001:2004, and industrial and corporate requirements that regulate environmental protection by MMC Norilsk Nickel.

The Company is always open to the dialog with any stakeholders on environmental protection issues.

## **8. THE COMPANY'S OPERATIONS ACTIVITY IN OTHER COUNTRIES**

We are proud that MMC Norilsk Nickel is one of the biggest mining and metallurgical corporations of the world. As a significant part of our products is sold on foreign markets, we give much attention to cooperation with international non-governmental organizations for the mutually beneficial exchange of advanced experience in industrial, environmental, social and other spheres of activity.

All Company enterprises located abroad are regularly certified for compliance with ISO 14001 and operate under the national environmental protection regulatory systems and corporate standards of MMC Norilsk Nickel.

MMC Norilsk Nickel declares its adherence to the observation of human rights pursuant to the constitutions of the countries of its operations (Australia, the Republic of Botswana, Finland and South Africa) and laws of those countries, universally recognized principles and norms of international law set out in declarations, conventions and recommendations of the International Labor Organization and other international organizations.

## **9. COMPLIANCE WITH THE CODE OF BUSINESS ETHICS AND LIABILITY FOR ITS VIOLATION**

Violation of the Code of Business Ethics may lead to violation of legal norms and damage the reputation and image of the Company, which, in turn, will lower its efficiency and cause losses.

Therefore, all employees of MMC Norilsk Nickel regardless of their official position shall observe the Code in their professional activity and be liable for the observation of the ethical norms it stipulates.

Observance of the Code is a significant criterion of the evaluation of the professional performance of an employee in appraisals and decisions about his or her remuneration, professional or career growth.

Our demands to executives of all levels are even higher. Executives must be a model of ethical behavior, lead by example in maintaining the ethical principles of the corporate culture and explain provisions of the Code to their subordinates if necessary.

Each Company employee must take an active position with regard to compliance with the Code by other employees of the Company. If there is information that the behavior of another Company employee disagrees with a provision of the Code or is unethical in another way, an employee should not disregard such information but report it in compliance with this Code.

If an employee has questions concerning the application of norms and provisions of this Code, problems with the ethical evaluation of his or her actions or actions of other employees, he or she shall ask for explanations:

- The direct and/or higher superior; or
- Use the confidence phone \_\_\_\_\_ .

If an employee becomes aware of violations of the provisions of Code, he or she shall e-mail a message to: \_\_\_\_\_@nornik.ru.

If an employee who reports violations of the Code wants to be anonymous for some reason, he or she must provide sufficient information for the due inquiry into his or her report.

In turn, the Company guarantees the absence of negative consequences for anyone who reports violations of the Code (such as persecution or discrimination). The breach of anonymity of such reports is a violation of the principles of this Code.

The Company forms commissions for considering compliance with the requirements of the Code, for holding official inquiries into violations of the Code requirements, for forming an ethical opinion of situations in inter-corporate relations and in relations with third-party stakeholders: the corporate ethics commission of the head office of the Company /a branch /a representative office (hereinafter the "Commissions"). The activity of the Commissions is regulated by relevant local regulatory documents.

If an official inquiry exposes a violation of law, the Commission shall forward such information to law enforcement agencies. In other cases, decisions of the Commissions shall be advisory.

MMC Norilsk Nickel is hopeful that any interested person, even if not an employee of the Company, will report all violations of requirements and regulations of the Code by e-mailing to [\\_\\_\\_\\_\\_@nornik.ru](mailto:_____@nornik.ru).

## KEY TERMS AND DEFINITIONS

The Code of Business Ethics of MMC Norilsk Nickel uses the following terms and definitions:

**Bribery:** a form of corruption. In this Code, bribery means a material gain (a bribe) received by an official in exchange for his or her actions or inaction in the interests of the briber or persons the briber represents.

**Business ethics:** a set of moral principles, rules and norms of the behavior of Company employees in the fulfillment of their professional duties.

**Stakeholders:** any individuals, groups or organizations that have an influence on the Company activity or depend on its activity.

**Conflict of interest:** a situation in which a personal interest of an employee has an influence or may have an influence on the fair execution of his or her professional duties.

**Company (MMC Norilsk Nickel):** OJSC MMC Norilsk Nickel.

**Corruption:** abuse of office by an official for personal gains.

**Local regulatory documents:** regulatory guidance, constituent and other legal documents of the Company.

**Global business community:** all business entities of the interlinked system of countries with which the Company has business relations or wishes to establish such relations.

**Employees:** persons who have employment relations with the Company formalized in accordance with the laws of the Russian Federation.

**Corporate development strategy:** a set of key strategic directives, concepts and obligations of the Company approved by the Company's management as main guidelines for a particular period of the Company's activity.

**Ethical norms:** moral norms applied and/or established in a particular society or a country.