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## Public Due Diligence Report

### 1 Company Information

Norilsk Nickel Harjavalta Oy (NNH) is a significant and diverse refiner of nickel metal and chemicals. Our job is to produce the base and precious metals needed by society in an efficient and safe manner. We promote sustainability and we recognize our responsibility towards the environment, people and society. NNH is a part of the global Nornickel Group. Our facilities are located in Harjavalta suurteollisuuspuisto at Teollisuuskatu 1, 29200 Harjavalta, Finland.

### 2 Audits

NNH has undergone a Responsible Minerals Assurance Process (RMAP) Assessment for Cobalt. First assessment was held in our Harjavalta refinery from 5<sup>th</sup> to 6<sup>th</sup> November of 2020. Assessment was performed by Responsible Business Alliance (RBA).

NNH received RMI certified cobalt refinery status on 4<sup>th</sup> of March 2022.

### 3 Supply Chain Policy

NNH has established a supply chain policy which is fully aligned with the third edition of OECD Due Diligence Guidance.

You can find the Supply Chain Policy in our website:

<https://www.nornickel.fi/en/responsibility>

### 4 NNH Due Diligence Management System

NNH has developed and implemented a management system to ensure its operations due diligence. The management systems consist from the following;

- NNH Managing Director and the Due Diligence steering group lead by Commercial Director are responsible for the Due Diligence management system.
- The steering group is in charge of the risk management, identification of the risks, mitigation measures and identification of red flags. The steering group meets twice a year and the meeting memorandum with risk analysis results and risk mitigation plan is presented to NNH management team by the head of steering group.
- The steering group is responsible to arrange training to all relevant employees.
- NNH Managing Director and HR Director are responsible for the NNH grievance system.
- All the records are placed in NNH documentation system.

## 5 Risk assessment and management

NNH CAHRA procedure is done to each individual raw material purchased to NNH and it consists from the following steps:

### Define the supply chain and logistic route from mine to NNH

- a) Define the mine, concentrating plant, smelter of this raw material.
- b) Define the logistics route from mine to NNH including all used ways of transportation, warehouses, operators and geographical locations.
- c) Use purchase agreement and transportation data or the plan for transportation and the chain of custody data.

### Analyze whether there is a risk along the chain of custody

- a) Use EU Conflict Minerals / CAHRA map, RMI's Global Risk Map and FATF to assess whether the logistics route passes through CAHRA-area.
  1. EU Conflict Minerals / CAHRA map (<https://www.cahraslist.net/cahras#COD>) is used as source of potential High Risk Areas. When raw material either is being produced in a country on the list or passes through the country on its way towards NNH, a red flag is raised.
  2. RMI's Global Risk Map (<http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/rmi-global-risk-map/>) is used as source of potential High Risk Areas. When raw material either is being produced in a country on the list or passes through the country on its way towards NNH, a red flag is raised. NNH uses Extreme and High risk levels on the RMI's Global Risk Map during the CAHRA evaluation.
  3. Financial Action Task Force (on Money Laundering) (FATF) operates under OECD. It is formed to produce procedures and legislation to prevent money laundering and funding terrorism. FATF publishes lists for a) High-Risk Jurisdictions subject to a Call for Action and b) Jurisdictions under Increased Monitoring. NNH uses both these list when conducting CAHRA evaluation.

When raw material either is being produced in a country on the list or passes through the country on its way towards NNH, a red flag is raised. (<https://www.fatf-gafi.org/>)

b) The following criteria of Red flags must be used

**Red flag locations of origin and transit:**

1. The mineral originates from or has been transported through a conflict-affected or high-risk area.
2. The mineral is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of the mineral (i.e. the declared volumes of the mineral from that country are out of keeping with its known reserves or expected production levels).
3. The mineral is claimed to originate from a country through which minerals from conflict-affected and high-risk areas are known or reasonably suspected to transit.
4. The mineral is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where minerals from conflict-affected and high-risk areas is known or reasonably suspected to transit.

**Supplier red flags:**

1. Suppliers or other known upstream companies operate in one of the abovementioned red flag locations of mineral origin and transit, or have shareholder or other interests in suppliers of the mineral from one of the abovementioned red flag locations of mineral origin and transit.
2. Suppliers or other known upstream companies are known to have sourced the mineral from a red flag location of mineral origin and transit in the last 12 months.

**Red flag circumstances taken into account**

Anomalies or unusual circumstances are identified through the information collected in Step 1 which give rise to a reasonable suspicion that the material may contribute to conflict or serious abuses associated with the extraction, transport or trade of material.

Report the found red flag areas or operators.

### **Conduct Know Your Supplier analysis**

- a) Use ownership data of the participating companies / organizations along the chain of custody.
- b) Gather data of the beneficial owners of all the companies operating at the value chain starting from the mine until the NNH, including all transportation and warehousing companies.
- c) Check whether any of the beneficial owners are noted at any of the ban lists of nations on the logistic chain of custody or UN black list. When there are beneficial owners that are ban listed, evaluate risks and consequences to the deliveries, NNH as company and Nornickel Group as company.
- d) Include the analysis with red flags, risks and consequences found to the summary for the Steering Team.

### **Present the Risk Analysis to NNH Raw Material Due Diligence Steering Team**

- a) Steering Team will meet bi-annually (1H and 2H)
- b) The Steering Team defines and produces:
  - Risk analysis report per raw material,
  - Individual raw material mitigation plan and
  - Steering Teams decision memorandum

### **NNH Management Team assessment on NNH Raw Material Due Diligence in the Supply Chain**

- a) The Chair of the Steering Team presents the Decision memorandum to the NNH Management Team including the risks and red flags found and the proposed mitigation plan.
- b) NNH Management Team confirms the action plan for NNH and summaries NNH's success on the Due Diligence in the Supply Chain.
- c) By doing the previous, NNH Management Team produces NNH's Yearly report on the Due Diligence in the Supply Chain.

## **CAHRA evaluation results (March 2021 – end of February 2022)**

### **Identified Red flags and actions**

1. One supplier is developing their Due Diligence management system according to Coppermark. Due to missing cross-recognition by RMI and due to incompleteness of their system NNH plans to conduct ground assessment to this supplier. The assessment is planned to be held by Q2 of 2022.
2. One supplier has been third party audited against OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas Third Edition. At the moment expecting the report with findings and ready to start enhanced due diligence process if necessary.