

President's letter

GRI 2-22



To conclude, I would like to stress that Nornickel remains strongly committed to its sustainability strategy regardless of external factors. In our operations, we continue to prioritise resource and energy efficiency, circular economy, social and labour matters, quality of corporate governance, along with environmental and social programmes for local communities.



Dear colleagues,
I present to you Nornickel's 2022 Sustainability Report.

The past year's geopolitical situation put a great pressure on our operations. Despite the restrictions in international trade and disruptions in logistics chains, Nornickel is on track with its sustainability strategy. We reaffirm our commitment to the UN Global Compact principles seen as a pillar of our business. Our key production, social, and environmental projects are ongoing, which is proven by this Report.

As part of consistent efforts to perfect its health and safety system, the Company is implementing programmes to prevent injury. In 2022, we forged ahead, with fatalities down almost threefold to four. All cases were subject to thorough investigation followed by reports to the Board of Directors and mitigation plans. I would like to reiterate that zero fatalities remains our top strategic priority.

In 2022, the Sulphur Programme at Nadezhda Metallurgical Plant reached its final phase. We are installing the equipment and getting the site ready for the start-up expected in less than a year. The project is set to reduce sulphur dioxide emissions at the Norilsk Division by 45% from 2015, our baseline.

In October 2022, we finished the rehabilitation of the fertile soil layer in the vicinity of the Ambarnaya River. The restoration of land contaminated by the diesel fuel spill in 2020 is virtually completed.

At the same time, we are fostering cooperation with research organisations to monitor the environment in the regions where our sites are located. In 2022, Nornickel and the Siberian Branch of the Russian Academy of Sciences made an extensive research of biodiversity in the regions of our operation. This work called the Big Scientific Expedition was yet another step in our fruitful collaboration with the Russian Academy of Sciences, which had started back in 2020. Last

year, our efforts covered three regions of Nornickel's operation. The study goals were to identify the areas of the Company's environmental impact and assess the current biodiversity status locally.

We are also taking consistent steps to reduce our environmental footprint using state-of-the-art solutions. In particular, NTEC, part of Nornickel Group, commissioned new local facilities for wastewater treatment. These are modern plants which will enable continuous automatic monitoring of discharges. In 2023, we plan to launch one more facility of this kind, with another dozen plus projects currently at the design and construction stages.

Waste management remains another focus area for us. In 2022, we accelerated our large-scale Clean Norilsk environmental programme launched a year earlier. It pursues ambitious, but important goals of cleaning the Norilsk Industrial District. Since the start of the programme, we have cleaned 2.6 million m² and removed 71 kt of scrap metal and 814 kt of rubbish.

To make its environmental strategy as effective as possible, in 2022, Nornickel and the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) signed two agreements set to preserve the environment and ensure environmental safety. The first agreement provides for the exchange of information and joint implementation of environmental initiatives. The second one is the first of its kind pilot project requesting and receiving advice from Rosprirodnadzor on Nornickel's high-potential investment projects.

Climate change is yet another key theme of our sustainability strategy. Speaking about risks, we pay special attention to the thawing of permafrost on top of which a great many our production sites and infrastructure in the Norilsk Industrial District are built. We focus on analysing ongoing changes and developing relevant adaptation measures to maintain business continuity and enhance occupational safety. The ongoing initiatives include an automated monitoring system for the foundations

of buildings and structures we are rolling out in the Norilsk Industrial District. As for new opportunities, we rely on our green metal basket. We have already done a lot to decarbonise the global economy, and we expect the demand for our products to steadily rise, which will contribute to our sustainable and well-balanced growth.

Traditionally, our major focus is support to the indigenous peoples in the regions of operation. Nornickel is on track with its 2020–2024 programme to aid and develop Taimyr indigenous minorities. The Company's total investment in the programme exceeded RUB 2 bn. In 2022, in response to requests from local communities, we expanded the initiative and allocated around RUB 100 mln for additional measures.

In 2022 we also held prior task force consultations with the representatives of indigenous minorities in the villages of Lovozero and Krasnoshchelye as regards the prospective development of the Kolmozerskoye lithium deposit. As part of the dialogue with the local Sámi people, we leverage our prior experience of engaging with Taimyr indigenous minorities, including the process of obtaining Tukhard residents' free, prior, and informed consent, the first ever in the Russian Arctic history.

To conclude, I would like to stress that Nornickel remains strongly committed to its sustainability strategy regardless of external factors. In our operations, we continue to prioritise resource and energy efficiency, circular economy, social and labour matters, quality of corporate governance, along with environmental and social programmes for local communities.

Vladimir Potanin,
President and Chairman of MMC Norilsk Nickel's Management Board

Chairman's letter

GRI 2-22



In 2022, Nornickel invested considerable effort across various areas of sustainable development, including in its Environmental and Climate Change Strategy. The Board of Directors, including the dedicated Sustainable Development and Climate Change Committee, is involved in regular monitoring and supervision of relevant programmes and initiatives.

Nornickel seeks to apply a balanced ESG approach, with equal attention paid to achieving financial stability, economic growth, better corporate governance, social welfare of all stakeholders, environmental safety, and adaptation to climate challenges. We believe we can adapt to change better by promoting the sustainability agenda.

In 2022, our funding of major projects rose by 55% to a record USD 4.3 bn as we focus on improving industrial and environmental safety. We also invest heavily in digitisation and automation of production processes. The use of drones, digital twins, machine vision and remote process control has already proved to be effective. This is not only about streamlining production and cost cuts, but, most importantly, about enhancing safety and creating a comfortable workplace environment for our people.

Nornickel is expanding cooperation with the R&D community by doing joint research of local nature and developing advanced eco-friendly and adaptation technologies and solutions for Arctic operations. New risks, including climate-related and geocryological, present unprecedented challenges, and the future of our business depends on how effectively we respond to them.

We maintain regular dialogue with our stakeholders to adjust our operations based on public demand and business needs in a timely fashion. Importantly, we forged ahead in promoting sustainability values among our employees, with ESG becoming an integral part of our business philosophy, corporate culture, and mindset of our management teams.

The Company invariably demonstrates strong financial and non-financial disclosure, among other things, in ESG.

The new Board of Directors elected by the Annual General Meeting of Shareholders in 2022, is made of six independent directors in line with requirements set out in the Listing Rules of the Moscow Exchange and the Bank of Russia's Corporate Governance Code.

In 2022, Nornickel saw a surge in the number of retail shareholders, which hit 390,000 by the year end as compared

to as little as 62,000 in 2019. This will help gradually reduce our reliance on foreign capital and, hence, flatten out strong fluctuations in the share price. The Company keeps working to expand the pool of retail investors, among other things by holding webinars on the platforms of major retail brokers.

Given the current geopolitical risks, we are doing our best to protect the interest of our investors. Our efforts include redesigning our logistics chains, searching for new partners and unlocking opportunities to stay resilient and bolster performance.

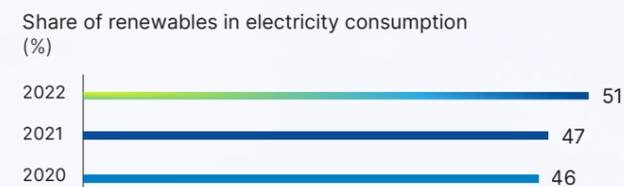
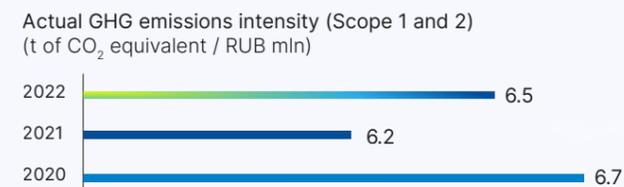
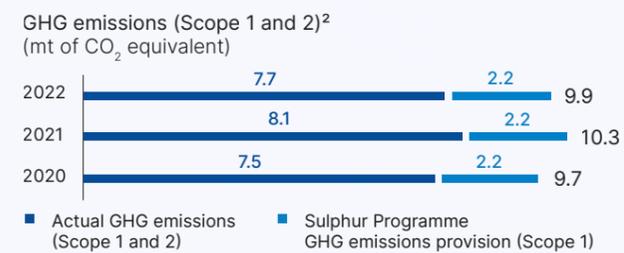
We seek to be as transparent as possible about our achievements, challenges, and exciting sustainability projects by sharing information in our public reports, on the corporate website, and in social media.

Andrei Bougrov,
Chairman of the Board of Directors

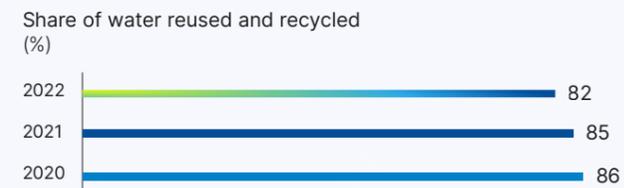
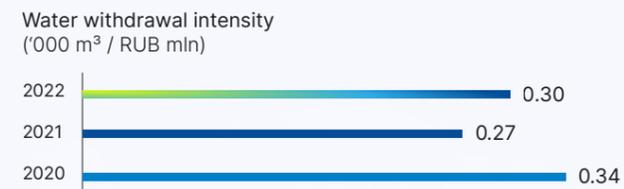
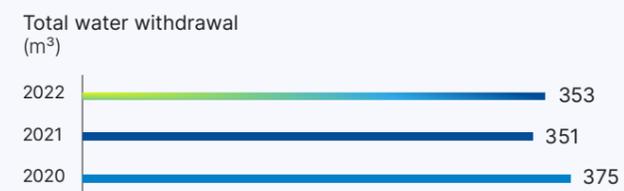
Our highlights¹

Environment

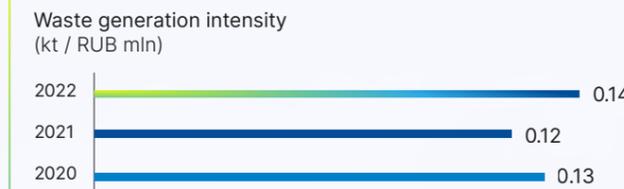
Climate change



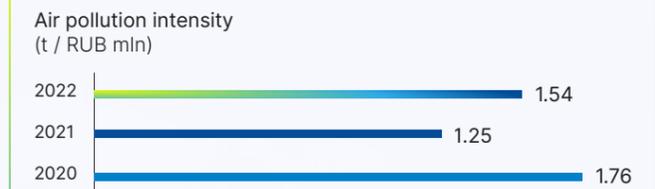
Water use



Waste



Air



¹ All intensity metrics are per RUB 1 mln of IFRS revenue.
² Including a GHG emissions provision for the Sulphur Programme and GHG emissions generated from heat and electricity supply to the public.

GHG emissions (Scope 3),
5.7 mt of CO₂ equivalent

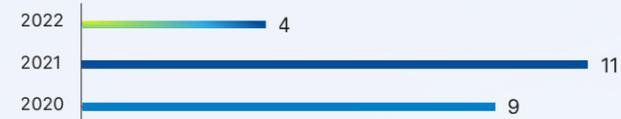
Labour practices

Health and safety

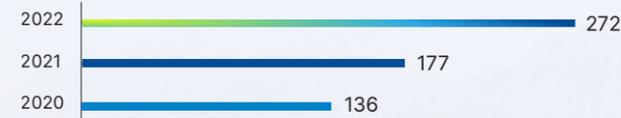
LTIFR



Fatalities

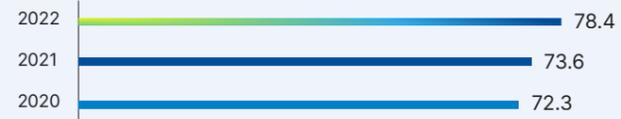


Health and safety expenses per employee (RUB '000)

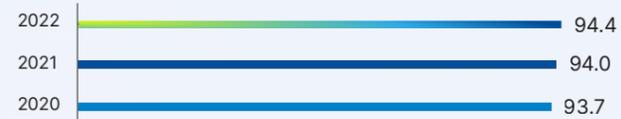


Employment

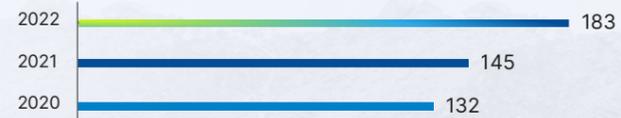
Nornickel's average headcount (thousand people)



Nornickel employees covered by collective bargaining agreements (%)

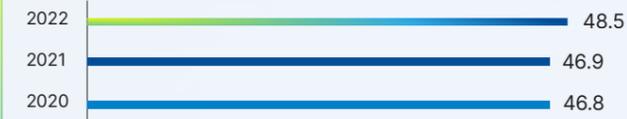


Average monthly salary at Nornickel (RUB '000)



Development of regions and local communities

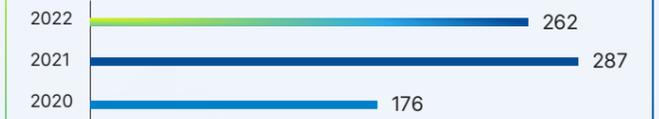
Spending on social programmes, charity, and social infrastructure¹ (RUB bn)



Support for indigenous Northern minorities (RUB mln)



Tax and non-tax payments to budgets of various levels (RUB bn)



¹ Excluding contingent liabilities in relation to future social projects.

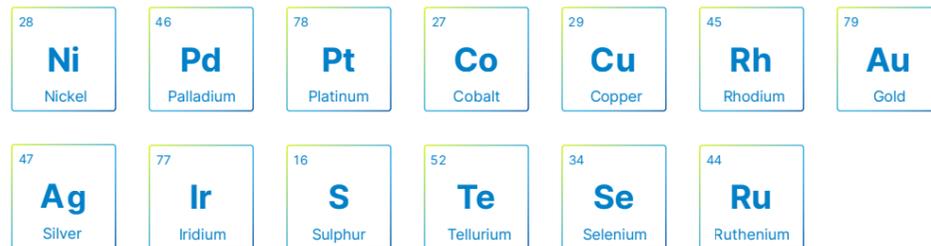


About Nornickel Group

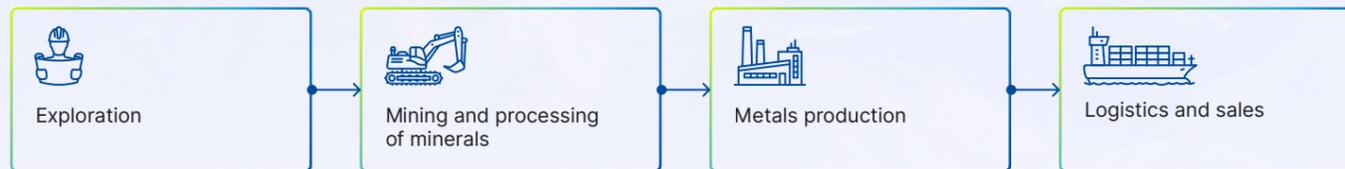
GRI 2-1, 2-6

Nornickel is a leader of the Russian metals and mining industry, ranks No. 1 among the world's producers of high-grade nickel and palladium, and is one of the major producers of platinum, cobalt, other metals and other chemical elements (a total of 13) globally. Our metals are essential for the low-carbon economy and green transport.

Nornickel's products



The Company is a vertically integrated holding boasting a full production cycle, from ore mining to refining, along with its own energy, transportation, and support assets, along with R&D.



R&D, energy, repairs, construction (NN Development)

Nornickel is the largest business in the Russian Arctic and a mainstay of local economies.

Position in the industry¹

34 countries
receive supplies of Nornickel's products

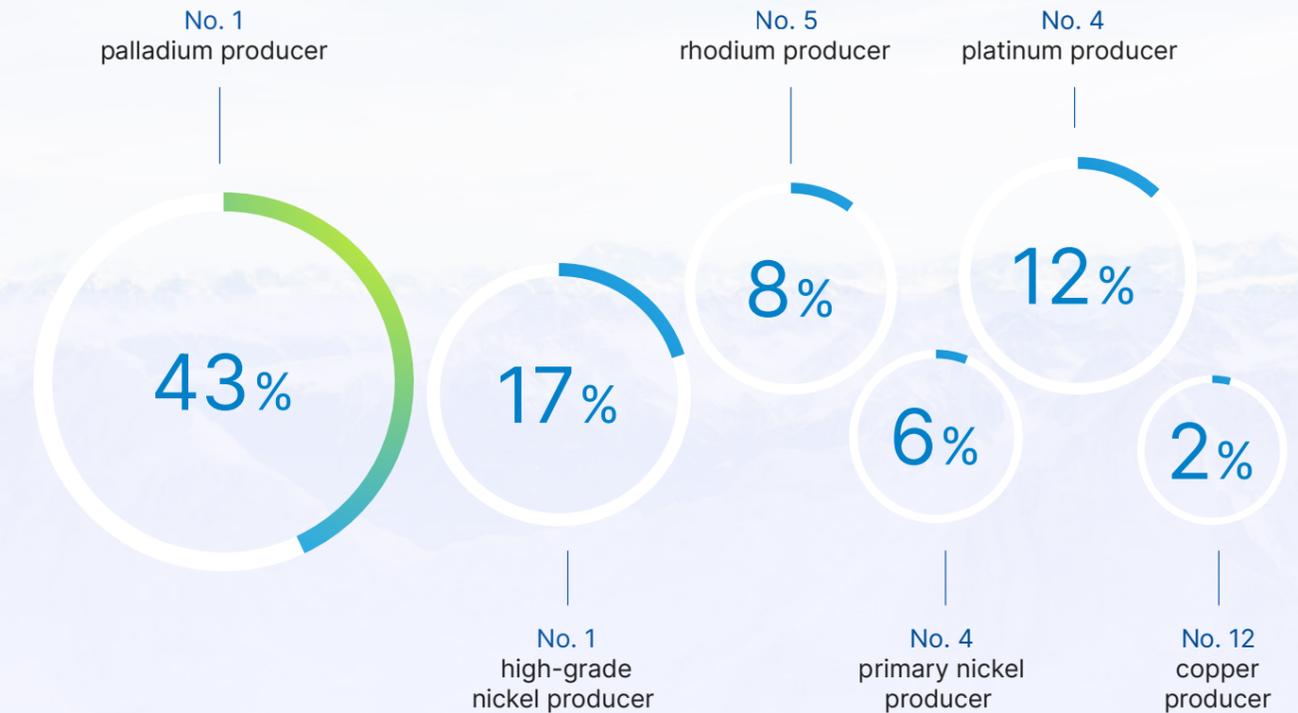
374
customers from across the globe

Proven and probable reserves²

1,127 mt
Norilsk and Kola Divisions

274 mt
Trans-Baikal Division

Reserves-to-production ratio
at the current production level
> 75 years



¹ For palladium, nickel, platinum, and rhodium markets – in terms of refined metals production (including tolling arrangements), for the copper market – in terms of mining.

² A decrease in ore reserves and inferred resources in the Norilsk Industrial District mainly ensued from the impact a change in economic parameters and a new MET rate had on the feasibility of developing a portion of disseminated ore from the Taimyr Ore Cluster after 2035.

Nornickel's contribution to the International Cooperation and Exports national project

Relevant UN SDGs



Related federal projects

- Industrial exports;
- international trade and logistics.

Nornickel's key business areas

- Metal product exports;
- Development of the ice-breaking fleet and transportation along the Northern Sea Route;
- Transport accessibility in far-flung regions.

• For more details, please see the [Transport Accessibility in Remote Locations](#) section

Key results for 2022

- 4.88 mt/km freight traffic along the Northern Sea Route.



Production and supply chain

Assets

As at the end of 2022, Nornickel Group comprises over

> **85** companies

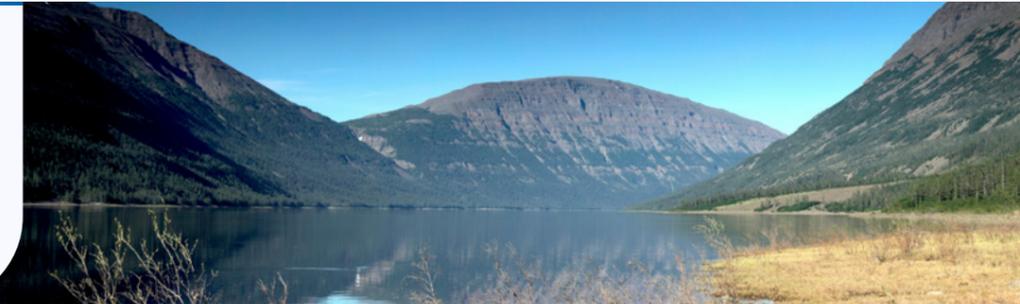
with its production assets located in two countries – Russia and Finland.

In 2020, Nornickel Group and MMC Norilsk Nickel units merged into four core divisions – Norilsk, Kola, Trans-Baikal and Energy.

MMC Norilsk Nickel's Head Office is located in Moscow.

Core companies and business units

Norilsk Division



The Norilsk Division is located on the Taimyr Peninsula in the north of the Krasnoyarsk Territory, Russia. It operates the largest deposits in the Company's portfolio and boasts a full metals production cycle from ore mining to the shipment of finished products.

The Norilsk Division mines rich, cupriferous, disseminated copper-nickel sulphide ores. The Talnakhskoye and Oktyabrskoye deposits are developed by Taimyrsky, Oktyabrsky, Komsomolsky, Skalisty and Mayak Mines. Nornickel also holds an exploration licence for the Western flanks of the Oktyabrskoye deposit. Zapolyarny Mine develops the Norilsk-1 disseminated ore deposit through open-pit and underground mining.

The mined ore is processed at Talnakh and Norilsk Concentrators. The resulting thickened concentrates are transported via slurry pipelines to Nadezhda Metallurgical Plant and Copper Plant for further processing. The Norilsk Division's facilities also process copper-nickel concentrate and copper in semi-products from the Kola Division along with gold concentrate from the Trans-Baikal Division. The Norilsk Division produces high-grade nickel matte sent to Kola MMC, copper cathodes, commercial sulphur, selenium, precious metal concentrate and tellurium ingots.

Key facilities

- Polar Division
- Medvezhy Ruchey



Kola Division



The Kola Division is located on the Kola Peninsula, Murmansk Region, and in Finland. It develops deposits of the Western Ore Cluster located within a 25-kilometre stretch between Nickel and Zapolyarny in the west of the Murmansk Region. The division mines disseminated copper-nickel sulphide ores containing nickel, copper and other valuable metals. The mined ore is processed at Zapolyarny Concentrator, with the resulting sulphide concentrate then supplied to the Norilsk Division and for sale.

Kola MMC's production facilities in Monchegorsk process converter matte from the Polar Division. Kola MMC's end products are nickel cathodes, nickel carbonyl, electrolytic cobalt and cobalt concentrate. The division also produces precious metal concentrates, copper in semi-products to be processed at the Norilsk Division, crushed converter matte, sulphuric acid, and saleable copper and nickel concentrates.

Norilsk Nickel Harjavalta is Nornickel's subsidiary in Finland, Harjavalta, processing the Company's own Russian feedstock and third-party nickel feedstock. Harjavalta is the only nickel refinery in Finland and one of the largest similar facilities in Europe. Norilsk Nickel Harjavalta's end products are nickel cathodes, briquettes, salts, powders and solutions, cobalt sulphate and solution and PGM-bearing copper cake sent for processing to the Norilsk Division.

Key facilities

- Kola MMC
- Norilsk Nickel Harjavalta OY

Trans-Baikal Division



Located in the Gazimuro-Zavodsky District, Trans-Baikal Territory, the Trans-Baikal Division mines gold-iron-copper ores of the Bystrinskoye deposit, 16 km east of Gazimursky Zavod. Nornickel also holds licences to explore the flanks of Bystrinskoye and Bystrinsko-Shirinskoye deposits.

The mined ores are processed at Bystrinsky Concentrator into saleable copper and iron ore concentrates and gold concentrate sent to the Norilsk Division.

Key facilities

- GRK Bystrinskoye

Energy Division



Located in the Norilsk Industrial District, power generating and grid facilities supply heat and electricity to production assets and local consumers.

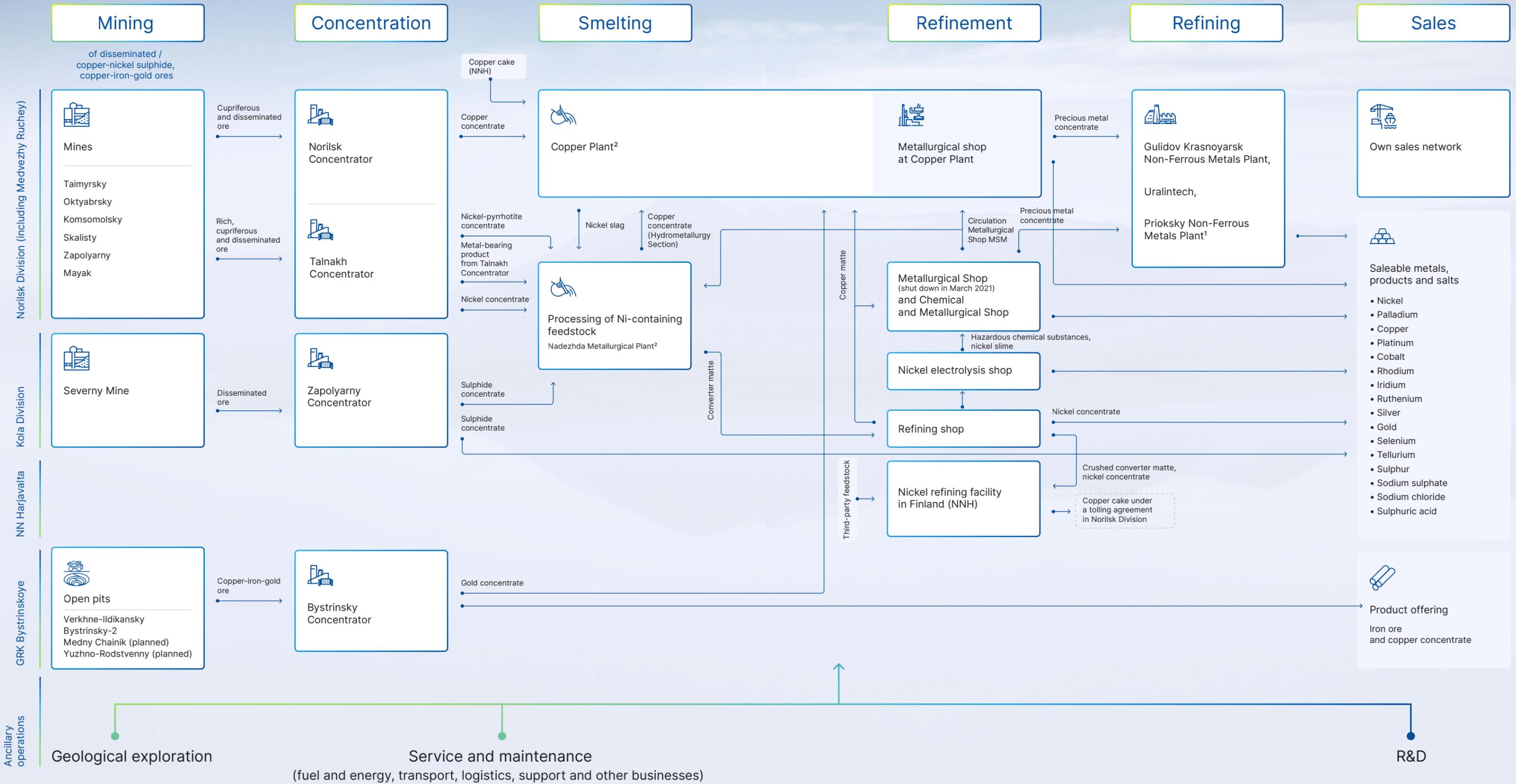
Gas production and transportation assets produce and transport natural gas and condensate from fields to consumers.

Fuel assets supply light and dark petroleum products to the Far North and store them locally.

Key facilities

- NTEC
- Norilskgazprom
- Norilsktransgaz
- TFC





¹ Precious metals produced by Polar Division are refined at Gulidov Krasnoyarsk Non-Ferrous Metals Plant and Uralintech under tolling agreements. Precious metals produced by Kola MMC are refined at Gulidov Krasnoyarsk Non-Ferrous Metals Plant and Prioksky Non-Ferrous Metals Plant under tolling agreements.

² Production facilities implementing flagship projects under the comprehensive environmental programme.