2022 Sustainability report
Advancing values and priorities
Contents

President's letter 3
Chairman's letter 5
Our highlights 7
About Nornickel Group 11

Strategic vision
Strategy of sustainable growth 22
Nornickel and UN Sustainable Development Goals 31
Nornickel and Russia’s National Projects 35

E – Environmental
Environmental management 41
Climate change and energy efficiency 48
Air 71
Water 74
Tailings and waste 78
Soil protection and responsible mining 83
Biodiversity 88

S – Social
Stakeholder engagement 99
Respect for human rights 104
Occupational health and safety 109
HSE management and social partnership 114
Social policy 117
Corporate volunteering 122
Development of local communities 127

G – Governance
Corporate Governance 221
Sustainability Management 230
Internal Control and Risk Management 235
Tax strategy 247
Business Ethics and Anti-Corruption 250
Grievance policy 256
Supply chain responsibility 261
Research and development, digital technologies 266
Corporate security 271

Appendices
About the Report 285
GRI content index 286
Report boundaries 304
Definition of material topics 307
SASB METALS&MINING content index 313
UNCTAD Guidance on core indicators for entity reporting on contribution to implementation of the UN SDGs 319
TCFD disclosures 324
GRI quantitative indicators disclosure 325
Nornickel’s support for initiatives, standards, and participation in associations focused on sustainable development and corporate social responsibility 333
Certification of Corporate Integrated Management System (CIMS) 355
Awards and accolades 357
List of abbreviations 359
Glossary 363
Stakeholder dialogue minutes 366
Stakeholder recommendations 369
Opinion of the RSPP Council on Non-Financial Reporting 370
Independent assurance report 375
Disclaimer 379
Contacts 380

About Nornickel Group 2022 | Sustainability report
2022 | Sustainability report
Nornickel.com
2022 | Sustainability report
Nornickel.com
2022 | Sustainability report
Nornickel.com
President’s letter

Dear colleagues,

I present to you Norilnick’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, Norilnick 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, Norilnick 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 Norilnick’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 Norilnick 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 m³ and removed 71 kt of scrap metal and 614 kt of rubbish.

To make its environmental strategy as effective as possible, in 2022, Norilnick 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 Norilnick’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. Norilnick 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 pilot task force consultations with the representatives of indigenous minorities in the villages of Lovozero and Krasnoyarskoye as regards the prospective development of the Killozavodskoye 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 Tukhord residents’ free, prior, and informed consent, the first ever in the Russian Arctic history.

To conclude, I would like to stress that Norilnick 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
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 highlights

### Environment

#### Climate change

<table>
<thead>
<tr>
<th>GHG emissions (Scope 1 and 2)² (mt of CO₂ equivalent)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual GHG emissions_provision (Scope 1)</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Sulphur Programme</td>
<td>8.3</td>
<td>4.1</td>
<td>7.5</td>
</tr>
<tr>
<td>Total</td>
<td>9.9</td>
<td>6.3</td>
<td>9.7</td>
</tr>
</tbody>
</table>

#### Air pollutant emissions

<table>
<thead>
<tr>
<th>Air pollutant emissions (mt)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>166</td>
<td>157</td>
<td>145</td>
</tr>
</tbody>
</table>

### Water use

<table>
<thead>
<tr>
<th>Water withdrawal (m³)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>353</td>
<td>351</td>
<td>375</td>
</tr>
</tbody>
</table>

### Waste

<table>
<thead>
<tr>
<th>Waste generation (mt)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>166</td>
<td>157</td>
<td>145</td>
</tr>
</tbody>
</table>

### Air

<table>
<thead>
<tr>
<th>Air pollution intensity (t / RUB mln)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.82</td>
<td>1.65</td>
<td>1.97</td>
</tr>
</tbody>
</table>

### Waste

<table>
<thead>
<tr>
<th>Waste recovery (mt)</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33</td>
<td>30</td>
<td>38</td>
</tr>
</tbody>
</table>

---

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.
## Labour practices

### Health and safety

| LTIFR | 2022 | 0.57 | 2021 | 0.38 | 2020 | 0.21 |

| Fatalities | 2022 | 4 | 2021 | 9 | 2020 | 11 |

| Health and safety expenses per employee (RUB '000) | 2022 | 272 | 2021 | 177 | 2020 | 136 |

### Employment

| Nornickel's average headcount (thousand people) | 2022 | 78.4 | 2021 | 73.6 | 2020 | 72.3 |

| Nornickel employees covered by collective bargaining agreements (%) | 2022 | 94.4 | 2021 | 94.0 | 2020 | 93.7 |

| Average monthly salary at Nornickel (RUB '000) | 2022 | 183 | 2021 | 145 | 2020 | 132 |

### Development of regions and local communities

| Spending on social programmes, charity, and social infrastructure (RUB bn) | 2022 | 48.5 | 2021 | 46.9 | 2020 | 46.8 |

| Support for indigenous Northern minorities (RUB mln) | 2022 | 412 | 2021 | 422 | 2020 | 85 |

| Tax and non-tax payments to budgets of various levels (RUB bn) | 2022 | 262 | 2021 | 287 | 2020 | 176 |

1 Excluding contingent liabilities in relation to future social projects.
About Nornickel Group

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.

Norilsk and Kola Divisions

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

Proven and probable reserves²

<table>
<thead>
<tr>
<th></th>
<th>Mt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norilsk and Kola Divisions</td>
<td>1,127</td>
</tr>
<tr>
<td>Trans-Baikal Division</td>
<td>274</td>
</tr>
</tbody>
</table>

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

Position in the industry¹

No. 1 palladium producer

No. 5 rhodium producer

No. 4 platinum producer

No. 12 copper producer

Nornickel's products

Ni Nickel

Pd Palladium

Pt Platinum

Co Cobalt

Cu Copper

Rh Rhodium

Au Gold

Ag Silver

Ir Iridium

S Sulfur

Te Tellurium

Se Selenium

Ru Ruthenium

Notes:

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 had on the feasibility of developing a portion of disseminated ore from the Tamya Ore Cluster after 2035.
Nornickel's contribution to the International Cooperation and Exports national project

Key results for 2022

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

**Assets**

As at the end of 2022, Nornickel Group comprises over > 85 companies with its production assets located in two countries – Russia and Finland.

**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, cupferiferous, 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.

**Key facilities**

- Polar Division
- Medvezhy Ruchey
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.

The 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.

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.

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
- Kola MMC
- Norilsk Nickel Harjavalta OY

Key facilities
- GRK Bystrinskoye

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 Bystrinskoye-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

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 Bystrinskoye-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

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 Bystrinskoye-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
Strategic vision

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy of sustainable growth</td>
<td>22</td>
</tr>
<tr>
<td>Nornickel and UN Sustainable Development Goals</td>
<td>31</td>
</tr>
<tr>
<td>Nornickel and Russia’s National Projects</td>
<td>35</td>
</tr>
</tbody>
</table>
Our mission
Supply the world with non-ferrous metals, efficiently and safely using natural resources and equity to realise people’s aspirations for development and technological progress.

Our values
People is our Company’s key value. Over the eight decades of working in the Far North, Nornickel has developed unique infrastructure and professional competencies that enable the Company to leverage its mineral resources as efficiently as possible and to maintain the impeccable quality of products. Our employees rely on values that the Company has cherished over the years of its operations.

Reliability
The ability to face any challenges while keeping the business successful and prosperous

Responsibility
The willingness to deliver on commitments, take decisions and assume the responsibility for their outcomes

Efficiency
The ability to achieve results with a minimum expenditure of time and effort

Professional excellence
The ability to achieve results in any conditions or environment

Teamwork
The Company’s employees are ready, willing and able to achieve goals by joining their efforts

Strategy of sustainable growth
A low-carbon pathway of the global economy and actions to curb rising average temperatures present unique opportunities for Nornickel to become a leading producer of green metals essential for the energy transition. In the long run, our rapid growth will be driven by increasing demand for our key products needed to improve energy efficiency of transportation and develop renewable energy.

We are aware that sustainable development is impossible without a holistic approach to managing natural resources that would respect the interests of all stakeholders. In particular, our customers set the bar high for our products as regards their compliance with the sustainability principles. Our success also depends on how effectively we cooperate with our shareholders, NGOs, local communities and other stakeholders. Thus, the ESG agenda is set to become the main driver and the cornerstone of Nornickel’s strategic initiatives and investment projects.

Our approved strategic priorities through 2030 include a dramatic environmental uplift in the regions of operation, capacity upgrade, construction of new capacities to build up production of key metals, and maintaining financial strength.

As regards the resource base, our strategy envisages stripping of new deposits within the existing license blocks, comprehensive development of deposits to mine all types of ores, large-scale upgrade of production capacities, and maximum utilisation and expansion of production capacity at existing mines, including output ramp-up as a result of the South Cluster development. This will help us considerably increase the output saleable products by 2030 and meet the growing demand.1

Strategic plans to increase ore mining and metals production by 2030

<table>
<thead>
<tr>
<th>Ore mining in the NID (mtpa)</th>
<th>2030+</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2x</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metals production (mtpa of Ni equivalent)</th>
<th>2030+</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+35-45%</td>
<td></td>
</tr>
</tbody>
</table>

1 For more details on our strategic projects to increase and upgrade production, please see our Annual Report 2022.
**Sulphur Programme roadmap**

**KOLA DIVISION**
- Smelting shop Nickel (shut down in December 2020)
- Copper line (refining) Monchegorsk (shut down in March 2021)

**NORILSK DIVISION**
- NMP
- Copper Plant
- Nickel Plant (shut down in 2016)

**Implementation 2023**
- Launch of Sulphur Programme 2.0 at Nadezhda Metallurgical Plant to recover furnace gases
- Reduction of SO₂ emissions from the ramp-up to design capacity, ramp-up to design capacity in 2024

**Redesign and implementation 2027**
- Launch of Sulphur Programme 2.0 at Copper Plant to recover furnace and converter gases²
- Reduction of SO₂ emissions at the Norilsk Division after the ramp-up to design capacity

- Cross-border SO₂ emissions down in 2020³
- Total SO₂ emissions at Kola MMC down
- 71% Cross-border SO₂ emissions down in 2020³
- 90% Total SO₂ emissions at Kola MMC down³

- Optimisation of smelting operations to cut SO₂ emissions in the Russia-Norway border zone
- Shutdown of the obsolete smelting shop in Nickel in December 2020
- Reduction of SO₂ emissions in Nickel and Zapolyarny
- Reduction of total SO₂ emissions at the Kola Division

³ Vs the baseline year (2015).
² The period of programme implementation at Copper Plant is specified in accordance with Polar Division’s Environmental Performance Enhancement Programme (2020) subject to clause 6 of Appendix No. 8 to Russian Government Resolution No. 353 dated 12 March 2022.

On top of that, our plans include the modernisation of the energy infrastructure enabling adaptation to physical risks with a climate factor and better reliability of power supply to our production assets in the long run.
Power infrastructure modernisation through 2030

Programme objective:

- modernise generating capacities and the grid infrastructure to replace the retiring equipment and grids, reduce physical risks and enhance long-term reliability.

- focus on enhancing performance of new CHP power units and an overall reduction of energy losses along the energy generation and transmission chain.

Gas and gas condensate upstream and transportation

- Upgrade of over 150 km of gas and condensate pipelines;
- Ramp-up of gas well drilling at the Pelyatkinskoye deposit post 2028.

Heat and power plants

- Construction of four power units at CHP-2 and five power units at CHP-3;
- New more efficient fuel-saving equipment to minimise energy losses.

Water and heat supply networks

- Replacement of 110 and 220 kV power lines (over 1,000 km);
- Modernisation of water and heat supply networks.

Hydropower plants

- Upgrade of all seven hydro turbines at Ust-Khantayskaya HPP completed;
- Upgrade of Kureyskaya HPP aiming to increase the installed capacity and energy efficiency and to boost the capacity of low-carbon hydropower plants.

The Company is currently going through an active phase of its investment cycle. In 2022, our CAPEX was USD 4.2 bn, with USD 4.7 bn expected to be spent on key investment projects in 2023. In the next reporting year, we plan to review design solutions and update our investment programme for 2024–2030.
Long-term trends supporting consumption growth for the metal basket. Our strategic projects

Long trends of global development will have a positive impact on the worldwide demand for the majority of Nornickel’s metal basket. Our metals meet the needs in car manufacturing, electronics, electrical engineering, petrochemical and oil refining, power generation, construction, consumer goods, healthcare, and other global industries.

Nickel is the core metal for stainless steels used in multiple sectors – from mechanical engineering and construction to renewable energy. Together with cobalt, nickel is essential in producing electrochemical cells for the new and future generation batteries, which in turn play a vital role in developing electric transport.

Copper is critical for transitioning to the low-carbon economy as it is used in high-tech equipment, including that for making RES-based hardware. Over 70% of refined copper produced globally are used for manufacturing various cables and wires. By 2040, additional 10 mtpa of copper will be needed to meet the demand.

At present, the automotive industry is the key consumer of platinum (40%) which goes to auto catalytic converters. Another important application area is jewellery which consumes around 25% of platinum. Platinum is also used in glass manufacturing to produce equipment (bushings) for making glass fibre and optical glass, and in electronics.

PGM are catalysts for the production of key chemicals. Platinum and iridium are part of catalysts used for green hydrogen production. Palladium enables transportation of hydrogen at long distances and its purification. Palladium, platinum and rhodium are used in manufacturing HEVs. Catalytic converters mainly for gasoline engines are the biggest palladium consumers (over 80%) in the mid term. This metal is used in catalytic converters to detoxify exhaust fumes. In most countries, such converters are legally required to be installed on all cars. Palladium is also used in electronics, dentistry, jewellery, chemicals and pharmaceuticals.

We analyse risks and opportunities related to global economic trends and assume that potential changes in demand for metals in some industries will be offset by its growth in others.

Key drivers affecting long-term demand for Nornickel’s key products

Based on the study of trends across industries that are key consumers of Nornickel metals, we expect an increase in the long-term demand for nickel and copper and a neutral effect on PGM.

In 2022, Nornickel forecast changes in key metal demand based on three scenarios for the global economy and climate change: “Rapid Transformation”, “Sustainable Palladium” and “Global Growth”. According to our estimates of prospective demand and supply, we can say that demand for our metals will grow and our strategy is resilient to changes in climate risk factors. The key expected risks are related to demand for palladium.

For more details on our social and economic scenarios, please see the Climate Change and Energy Efficiency section.
Potential revenue breakdown in 2030, %

**Ni**
- **Current**
  - Electrification of vehicles and implementation of electricity storage systems
  - Increased demand for stainless steel associated with the construction sector, use of renewable energy sources, urbanisation, and increased quality of life in the post-COVID period

**Cu**
- **Current**
  - Global infrastructure development programmes, mainly in the US and China
- **Expected**
  - Electrification of vehicles, charging infrastructure development, increased generation of renewable energy

**Pd**
- **Current**
  - Higher number of vehicles across the world and growing real income of the population
  - Hybridisation of vehicles and a shrinking share of diesel cars
  - Introduction of palladium-based solutions for H₂ storage, transportation and purification, and hydrogen system safety

**Pt**
- **Expected**
  - Hydrogen energy and fuel cell cars

**Other**
- **Current**
  - Using cobalt in batteries and rhodium in more eco-friendly cars with internal combustion engines

Long-term outlook for the metals market

<table>
<thead>
<tr>
<th>Metal</th>
<th>Market balance outlook</th>
<th>Production (CAGR, %)</th>
<th>Consumption (CAGR, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ni</td>
<td>Deficit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cu</td>
<td>Deficit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pd</td>
<td>Oversupply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pt</td>
<td>Deficit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Nornickel and UN Sustainable Development Goals

Nornickel takes steps in furtherance of the UN Sustainable Development Goals (SDGs) up to 2030. In 2018, we started integrating SDGs into our strategy. The SDGs were adopted in 2015 are a high-level guidance set to bring the authorities, business, and the public together to address the issues of sustainable development, and to protect the planet.

Based on stakeholder engagement, we selected and looked into those SDGs that are relevant to our operations. Following an analysis of SDGs against our current strategy, material risks, goals and commitments, investments in relevant projects and best peer practices, we selected six main SDGs:

- Goal 3. Good health and well-being;
- Goal 8. Decent work and economic growth;
- Goal 9. Industry, innovation and infrastructure;
- Goal 11. Sustainable cities and communities;
- Goal 12. Responsible consumption and production;
- Goal 13. Take urgent action to combat climate change and its impacts.

In 2022, we spent 333 RUB bn (28.1% of consolidated IFRS revenue) on SDG-linked project commitments, investments in relevant projects and best peer practices, we selected six main SDGs:

Our contribution towards the Sustainable Development Goals in 2022

**Goal 3. Ensure healthy lives and promote well-being for all at all ages**
- Participants of health improvement programmes increased by 4.1% y-o-y to 25,500 people.
- In 2022, the number of employees and their relatives holding VHI insurance policies increased by 11.9% y-o-y to 84,300 people.
- We completed the first stage of the programme to upgrade the Company’s healthcare facilities and medical examination rooms for pre-trip and pre-shift check-ups.
- Our network of corporate healthcare centres keeps expanding.
- We organised regular corporate sports events, tournaments and training exercises.

For more details, please see the Occupational Health and Safety, Social Policy and Development of Local Communities sections.

**Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**
- Employees covered by staff training, professional development, retraining, and upskilling initiatives increased by 86.9% y-o-y to 216,000.
- The average number of annual training hours per employee (based on the average headcount) grew by 22.8% y-o-y to 85.
- Nornickel’s corporate scholarship programmes covered 76 university students.
- We launched Tsifronikel.Junior, an educational project for our employees’ children aged 8 to 12.
- Nornickel unveiled a multi-platform competency management system.
- Norilsk reported 0% unemployment.

For more details, please see the HR Management and Social Partnership section.

**Goal 6. Ensure availability and sustainable management of water and sanitation for all**
- Reused and recycled water makes up 82% of total water consumption.
- Yenisey River Shipping Company acquired several models of auxiliary vessels and treatment equipment to prevent river water contamination during the operation of vessels.
- Water supply to Norilsk: 10.9 mcm of water supplied to local residents in 2022.

For more details, please see the Water section.

**Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all**
- RES share in the Group’s energy consumption rose by 4 p.p. y-o-y to 51%.
- The installed power generation and transformer capacity of our energy assets grew by 73 MW.
- Our facilities provided access to electricity in the cities of operation, including Norilsk.
- We conducted an analysis of opportunities to switch to green energy sources to replace our own conventional gas power generation facilities in the Norilsk District.

For more details, please see the Climate Change and Energy Efficiency section.

---

1 Part of Nornickel Group.
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Our average monthly salary increased by 25.8% y-o-y to RUB 182,500.
- A share of employees covered by collective bargaining agreements rose by 0.4 p.p. y-o-y to 94.4%.
- We increased spending on improvements to social and working conditions by 71.1% y-o-y to RUB 3.2 bn.

For more details, please see the HR Management and Social Partnership section.

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

- Together with RosTechadzor, Nornickel participated in the Russian Government’s experiment to launch a system for remote control over industrial safety.
- In Norilsk Industrial District, we expanded the bandwidth to improve the quality of communications.
- We are running a project to monitor the foundations of buildings and structures in Norilsk.

For more details, please see the Research and Development, Digital Technologies sections.

Goal 10. Reduce inequality within and among countries

- The number of participants in the relocation support programme increased by 135.3% y-o-y to 3,224.
- Expenses on relocating Norilsk and Dudinka residents to regions with better climate conditions stood at RUB 830 mln.
- The Company launched the Employee Relocation programme to support an employee when moving to another region either with their current employer or with a different employer within the Group.
- We rolled out an automated system for employee onboarding across 26 Group companies.

For more details, please see the Social Policy and Development of Local Communities sections.

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

- Pollutant emissions from Kola MMC decreased by 90% vs 2015.
- We continued to build off-gas recycling facilities and related infrastructure as part of Sulphur Programme.
- Some 2.6 million m³ of contaminated areas are cleaned in the Norilsk Industrial District.
- The Company set up an air quality monitoring and forecasting system in Norilsk, Monchegorsk, Nickel and Zapolyarny.
- For more details, please see the Air and Development of Local Communities sections.

For more details, please see the Social Policy and Development of Local Communities sections.

Goal 12. Ensure sustainable consumption and production patterns

- We increased waste disposal by 12.1% y-o-y to 33.1 mt.
- We started looking into projects to set up recycling facilities for construction waste and ferrous and non-ferrous metal scrap and introduce mud reuse technologies.
- A pilot project for waste sorting in Monchegorsk has started.

For more details, please see the Tables and Waste section.

Goal 13. Take urgent action to combat climate change and its impacts

- Scope 1 and 2 GHG emissions shrank by 3.9% y-o-y to 9.9 mt of CO₂ equivalent.
- We scaled up the project to assess physical risks.
- Nornickel developed its own scenarios for global economy and climate change.
- Our employees received training on climate change and climate change risks.

For more details, please see the Climate Change and Energy Efficiency section.

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- We completed the rehabilitation of land plots contaminated by the fuel spill at CHP-3.
- The Big Scientific Expedition to study biodiversity in the regions of operation was organised.
- We drafted a corporate standard for ecosystem biodiversity conservation and monitoring.
- Our biodiversity conservation spending totalled RUB 80 mn.

For more details, please see the Biodiversity section.

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

- We informed 100% of our employees about our anti-corruption practices.
- Nornickel conducted a training campaign on the basics of anti-corruption compliance for the Group’s employees responsible for implementing anti-corruption procedures.
- Our Russian business units held an anti-corruption monitoring exercise.
- A conflict of interest reporting process was implemented for the employees of Russian business units hired before the Regulation on the Prevention and Management of Conflicts of Interest came into effect.

For more details, please see the Business Ethics and Anti-corruption section.

Goal 17. Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

- Working bodies (committees, expert and working groups, etc.) established by public organisations and government authorities where Nornickel Group is represented are 25.
- Nornickel and Rosprirodnadzor entered into a cooperation agreement to preserve the environment and ensure environmental safety.
- The scenarios for the global economy and climate change were presented at the Sharm el-Shaikh Climate Change Conference (COP 27).

For more details, please see the Stakeholder Engagement section.

A pilot project for waste sorting in Monchegorsk has started.

We increased waste disposal by 12.1% y-o-y to 33.1 mt.

We started looking into projects to set up recycling facilities for construction waste and ferrous and non-ferrous metal scrap and introduce mud reuse technologies.

A pilot project for waste sorting in Monchegorsk has started.
Nornickel and Russia’s National Projects

The Company is engaged in initiatives and projects to contribute towards KPIs set for national projects of Russia. We provide the greatest support to initiatives in healthcare, environmental protection, housing and urban environment, productivity, employment, science, and digital economy.
# Environmental

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental management</td>
<td>41</td>
</tr>
<tr>
<td>Climate change and energy efficiency</td>
<td>48</td>
</tr>
<tr>
<td>Air</td>
<td>71</td>
</tr>
<tr>
<td>Water</td>
<td>74</td>
</tr>
<tr>
<td>Tailings and waste</td>
<td>78</td>
</tr>
<tr>
<td>Soil protection and responsible mining</td>
<td>83</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>88</td>
</tr>
</tbody>
</table>
Nornickel’s contribution to the Environment national project

The Environment national project is aimed at significantly improving the environmental conditions and delivering a positive impact on the health of people in Russia.

Relevant UN SDGs

Environmental management priorities

Waste

Key projects
- Clean Norilsk
- Building a crushing unit for construction waste recycling
- Recycling of large tyres and rubber products.

Key results
- Waste recovery at Nornickel’s sites grew by 19.5% vs 2021 to 33 mt.
- Industrial waste collection in the Norilsk Industrial District delivered a 6.5% increase vs 2021 to 510 kt.
- Reuse of waste increased by 31.8% vs 2021 to 17.8 mt.

Water

Key projects
- Improving the closed waster circuit
- Preventing pollution from entering rivers
- Cleaning polluted water bodies and their shores.

Key results
- Total wastewater discharge reduced by 16.3% vs 2021 to 168.0 MCM.
- 13.1 kt of wastewater and 1 kt of waste collected by trash interceptor vessels.

Air

Key projects
- Sulphur Programme
- Air quality monitoring and forecasting system.

Key results
- 29 stations installed and put into trial operation as part of the air quality monitoring system.

Biodiversity

Key projects
- Big Scientific Expedition
- Cooperation agreements with the Russian Ministry of Natural Resources and Environment.

Key results
- Three key regions of operation and a section of the Northern Sea Route explored during the Big Scientific Expedition.
- Aerial survey of polar bears conducted on Wrangel Island.
- Two polar bears rescued from death.
- Gyrfalcon conservation agreement concluded.

Relevant federal projects:
- Clean Country;
- Clean Air;
- Clean Water;
- Conservation of Unique Water Bodies;
- Biodiversity Conservation and Ecotourism Development;
- Implementing the Best Available Technologies.

Nornickel’s contribution to the Environment national project

Nornickel’s contribution to the Environment national project

Nornickel’s contribution to the Environment national project

Nornickel’s contribution to the Environment national project

Relevant UN SDGs
Enviromental management

Nornickel is engaged in ongoing efforts to reduce the negative environmental impact of its operations. Environmental management responsibilities are distributed among different governance bodies of Nornickel in line with their competencies.

Nornickel has the Environmental and Climate Change Strategy through 2031 approved by the Company’s Board of Directors. The document covers six main areas of environmental footprint – climate change, air, water, tailings and waste, land and biodiversity – as well as organisational and methodological aspect of the development of corporate sustainability management practices. The strategy is designed to meet stakeholders’ expectations, engage them and communicate with them in the implementation process.

Board of Directors
- Approves environmental strategies and policies
- Considers environmental and climate change issues, prepares recommendations for the Board of Directors
- Oversees preparation of initiatives and compliance with environmental laws
- Assesses the environmental management system
- Submits reports to the Board of Directors
- Develops a policy to minimise the environmental impact and restore ecosystems in the regions of Nornickel’s operations
- Manages environmental risks effectively
- Ensures compliance of the Company’s operations with the applicable environmental laws, environmental policy and ISO 14001:2015
- Reviews the Company’s development projects from the environmental perspective

Vice President, Ecology and Industrial Safety
- Implement environmental initiatives and prepare federal statistical and corporate reports
- Assures the accuracy of environmental, technical and production risk assessment in terms of their probability and impact under the applicable corporate procedures

Environmental Department
- Sustainable Development and Climate Change Committee of the Board of Directors

Production units
- Centre for Monitoring Technical, Production and Environmental Risks

Sustainable Development and Climate Change Committee of the Board of Directors
- Vice President, Ecology and Industrial Safety
- Environmental Department
- Production units
- Centre for Monitoring Technical, Production and Environmental Risks
**Key areas and targets of the Environmental and Climate Change Strategy through 2031**

<table>
<thead>
<tr>
<th>Strategic area</th>
<th>Target indicators</th>
<th>2022 results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Climate change</strong></td>
<td>1. Maintaining absolute GHG emissions from operations (Scope 1 and 2) at around 10 mt of CO₂ equivalent through 2030 while growing production by 30–40% (Ni equivalent vs 2017).</td>
<td>In 2022, absolute Scope 1 and 2 GHG emissions totalled 6.4 mt of CO₂ equivalent, while the Sulphur Programme GHG emissions provision totalled 2.2 mt of CO₂ equivalent.</td>
</tr>
<tr>
<td></td>
<td>2. Keeping Scope 1 and 2 GHG emissions per tonne of Ni-equivalent in the bottom quartile of global metals and mining industry GHG intensity curve.</td>
<td></td>
</tr>
<tr>
<td><strong>Air</strong></td>
<td>3. Reducing SO₂ emissions by 85% at Kola Division in 2021 and by 90% at Polar Division in 2025 vs 2019.</td>
<td>Thanks to the Sulphur Programme implementation, Kola Division’s SO₂ emissions declined by 90% vs 2010. Construction and installation continued at Nadezhda Metallurgical Plant and are to be completed by the end of 2023.</td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td>4. No interregional or federal emergency situations.</td>
<td>In 2022, there were no significant spills.</td>
</tr>
<tr>
<td></td>
<td>5. Reducing the volume of pollutants discharged by 25% vs 2019 and achieving the maximum permissible emissions rate of 159 kt by 2031.</td>
<td>The volume of pollutants discharged in 2022 reduced by 12% y-o-y.</td>
</tr>
<tr>
<td></td>
<td>6. Keeping fresh water withdrawal (excluding mining water) for production needs at the level of 2020 at 120 mcm³.</td>
<td>In 2022, fresh water intake (excluding mining water) for production needs totalled 236.4 mcm³.</td>
</tr>
<tr>
<td></td>
<td>7. Keeping water recycling and reuse rates above 80%.</td>
<td>Water recycling and reuse rate was 82% in 2022.</td>
</tr>
<tr>
<td></td>
<td>8. Eliminating the CHP-3 fuel spill consequences and clean-up to normalise the water indicators by the end of 2022.</td>
<td>The CHP-3 incident clean-up was completed.</td>
</tr>
<tr>
<td><strong>Tailings and waste</strong></td>
<td>9. Disposing of 100% of tailings generated by new projects to environmentally safe facilities featuring best-in-class technologies, starting 2025.</td>
<td>Over the last five years, there have been no environmental incidents at the Company’s hydraulic structures.</td>
</tr>
<tr>
<td></td>
<td>10. Eliminating (collection and processing) 100% of accumulated waste.</td>
<td>Nornickel collected 510 kt of waste and 32 kt of scrap metal, dismantled 154 facilities, and cleaned more than 1.5 million m² of contaminated areas in the Norilsk Industrial District.</td>
</tr>
<tr>
<td></td>
<td>11. Increasing/maintaining the share of non-mineral waste (other than gypsum) recycling.</td>
<td>The technical phase of disturbed land rehabilitation was carried out on an area of 78.8 ha. The project will continue until 2030. Efforts are underway to increase/maintain the share of non-mineral waste recycling.</td>
</tr>
<tr>
<td></td>
<td>12. Increasing/maintaining the share of mineral waste recycling above 30%.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13. Increasing the share of gypsum waste recycling.</td>
<td></td>
</tr>
</tbody>
</table>

---

1 Excluding GHG emissions from heat and electricity supply to the public.  
2 Excluding Energy Division.  
3 Including Energy Division.

---

**Strategic area** | **Target indicators** | **2022 results**
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
<td>14. Rehabilitation of 117 ha/year of disturbed land and land clean-up in towns and cities near production sites.</td>
<td>In 2022, 362 ha of disturbed land was rehabilitated, including landscaping of 2 ha, reforestation of 285 ha, and reclamation of 75 ha.</td>
</tr>
<tr>
<td><strong>Biodiversity</strong></td>
<td>15. Reducing a negative impact on biodiversity, including forest conservation near production sites.</td>
<td>Baseline biodiversity surveys were conducted to collect primary data, and a methodology was developed to determine the target of net zero biodiversity losses as a result of the Company’s operations.</td>
</tr>
<tr>
<td><strong>Stakeholder expectations, engagement and communications</strong></td>
<td>16. Compliance with the TCFD principles.</td>
<td>Climate scenarios for the world economy and climate change through 2050 were developed; Scope 3 emissions were measured; methodology to calculate the internal carbon price was developed; rollout of the monitoring solution continued for foundations built on permafrost soils in Norilsk.</td>
</tr>
<tr>
<td></td>
<td>17. Compliance with ICMM requirements.</td>
<td>Based on the results of the self-assessment, work is underway to develop by-laws and upgrade management practices to meet the requirements.</td>
</tr>
<tr>
<td></td>
<td>18. Compliance with IRMA requirements.</td>
<td>The Company conducted a self-assessment and an independent assessment of its mining assets compliance and readiness for certification.</td>
</tr>
</tbody>
</table>

In addition to the Strategy and divisional programmes, Nornickel relies on a number of environmental regulations.
Environmental issues, including efforts to reduce Nornickel’s environmental footprint, are constantly on the agenda of the Company and stakeholders. All internal and public events feature environmental discussions.

In 2022, the following items were on the agenda of various forums and platforms:
- implementation of the Environmental and Climate Change Strategy;
- implementation of the Company’s environmental programmes and initiatives;
- improvement of environmental laws and regulations;
- decarbonisation and sustainable development;
- sharing of best practices in industrial ecology problems;
- results of the Big Scientific Expedition; and
- results of the Red List Scientific Expedition.

The public meetings at regional civic chambers were open to all residents and organisations that wished to attend subject to prior registration on the Civic Chamber’s platform.

In 2022, Nornickel entered into two agreements with the Russian Ministry of Natural Resources and Environment as part of the Federal Biodiversity Conservation and Ecotourism Development project — one to protect the population of an endangered bird species of the Falconidae family, the gyrfalcon, and the other for the conservation and restoration of the polar bear population.

For more details, please see the Biodiversity section.

In the reporting year, Nornickel also signed two agreements with the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) aimed at preserving the environment and ensuring environmental safety. The first agreement provides for the exchange of information and joint implementation of environmental initiatives. The second one relates to a pilot project, first of its kind in Russia, and covers the provision of support and advice by Rosprirodnadzor on Nornickel’s high-potential investment projects.
Climate change and energy efficiency

Approach to climate change

Nornickel realises that climate change is one of the most significant and urgent global issues that poses a high risk to economic activity and society. As a party to the UN Global Compact, the Company fully supports the UN Sustainable Development Goals (SDGs), in particular SDG 13 Climate Action, and actively participates in joint efforts of the international community to combat global warming.

The Company unconditionally shares the principles of the Paris Agreement and supports its implementation in terms of keeping the global average temperature increase below 2 °C and making efforts to limit the increase to 1.5 °C. Nornickel actively engages with the scientific community, supporting and promoting nature and climate studies in the region, creating and expanding the climate monitoring system, and developing and implementing measures to reduce GHG emissions and adapt to climate change.

In developing strategic and regulatory documents and implementing climate change initiatives, Nornickel is guided by recognised international standards for building a corporate governance system and a climate risk management system, as well as standards for climate-related disclosures. These standards and guidelines include:

- TCFD Recommendations;
- GHG Protocol;
- ICMM principles;
- IRMA's Standard for Responsible Mining;
- Global Industry Standard on Tailings Management (GISTM);
- requirements of ESG agencies and ratings (EcoVadis, Sustainalytics, MSCI, CDP);
- recommendations of the Bank of Russia on disclosure by public joint-stock companies of non-financial information related to their operations;
- methodological recommendations and indicators of the Russian Ministry of Economic Development on climate change adaptation.

The Company plans to issue its first public climate change report in 2023. The report will be drafted in accordance with the TCFD Recommendations, and aims to demonstrate the progress made towards achieving the goals of the Paris Agreement. The report will reflect the Company’s key projects and initiatives for effective adaptation to climate change and its effects, including a description of physical risk assessment projects and transition risks and opportunities.

---

Environmental protection expenditures

**Environmental costs and expenditures**, RUB bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32</td>
<td>39</td>
<td>35</td>
<td>199</td>
<td>122</td>
</tr>
</tbody>
</table>

In 2022, the increase in current environmental expenditures was caused by higher costs of operating the surface backfilling preparation complexes at Polar Division.

**Current environmental expenditures**, RUB bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19.2</td>
<td>21.6</td>
<td>21.8</td>
<td>18.1</td>
<td>34.4</td>
</tr>
</tbody>
</table>

The increase in current environmental expenditures was caused by higher costs of operating the surface backfilling preparation complexes at Polar Division.

**Charges for permissible and surplus emissions (effluents) and disposal of production and consumption waste**, RUB bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.7</td>
<td>0.9</td>
<td>2.4</td>
<td>2.8</td>
<td>3.2</td>
</tr>
</tbody>
</table>

The increase in pollution charges was caused by the recovery of processing volumes of copper and nickel feedstock from Norilsk Division mines after their suspension due to flooding in 2021 and a higher sulphur content in the incoming feedstock.

The charge increase is also due to a greater volume of the disposal of construction and renovation waste generated by the programme on land clean-up.

**Capital investments to ensure environmental protection and sustainable use of natural resources**, RUB bn

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12.6</td>
<td>10.4</td>
<td>17.0</td>
<td>10.4</td>
<td>46.4</td>
</tr>
</tbody>
</table>

The increase in investments in 2022 is due to the active construction phase at the Sulphur Programme.

**Charges paid by the Company to remedy damages arising from noncompliance with environmental laws (excluding environmental fines)**, RUB mln

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,346</td>
<td>146,205</td>
<td>146,205</td>
<td>236</td>
<td>8</td>
</tr>
</tbody>
</table>

In 2022, penalties imposed for the damage caused by violation of environmental laws totalled around RUB 236 mln, of which the largest was the charge for damage to water bodies (lakes No. 1 and No. 2 near the Tukhard settlement) resulting from an aviation fuel spill of 2020.

---

1 RUB 146 bn paid in 2021 is the fine for the fuel spill at NTEC’s CHP-3, which occurred in 2020.
Climate change impact on Nornickel’s strategy

In line with its Environmental and Climate Change Strategy, Nornickel has set a number of goals and commitments aimed at improving control over climate change risk management and performance in this area.

Nornickel’s climate change targets

- Take into account climate factors as part of our risk management system
- Continue to work on reducing GHG emissions in the long term
- Promote low carbon transition by supporting R&D to search for and scale up innovative solutions and encouraging intra and cross-sectoral dialogue on climate change
- Comply with globally recognised climate disclosure standards
- Strive to increase the share of low-carbon energy consumption

Highlights and results

Key achievements

- Proprietary global economy and climate change scenarios developed to assess climate change risks and opportunities;
- The project to assess physical risks scaled up: climate change modelling across the Company’s footprint through 2050, identifying key climate risk factors and pilot assessment of their impact on the production assets of Norilsk, Kola, Trans-Baikal and Energy Divisions;
- Transition risks and opportunities identified and pilot assessment conducted;
- A methodology developed to calculate the internal carbon price;
- Upstream Scope 3 GHG emissions calculated for the first time;
- The first stage of a building and structure monitoring system (foundations and foundation beds on permafrost soils) deployed in the Norilsk Industrial District.

Highlights1

<table>
<thead>
<tr>
<th></th>
<th>Pd</th>
<th>Pt</th>
<th>Rh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual GHG emissions (Scope 1 and 2)</td>
<td>30,412.4</td>
<td>31,417.5</td>
<td>31,654.3</td>
</tr>
<tr>
<td>Sulphur Programme GHG emissions provision (Scope 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions, downstream Scope 3 (down 3% y-o-y)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG emissions, upstream Scope 3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Global Warming Potential (100 years) based on ISO 14044, kg of CO₂ equivalent per kg of metal2

<table>
<thead>
<tr>
<th>Metal</th>
<th>Pd</th>
<th>Pt</th>
<th>Rh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ni</td>
<td>9.7</td>
<td>10.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Ni sulphate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co</td>
<td>24.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co sulphate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cu</td>
<td></td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>Cu cathodes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Global Warming Potential (100 years) based on ISO 14044, kg of CO₂ equivalent per kg of metal in the product2

<table>
<thead>
<tr>
<th>Metal</th>
<th>Pd</th>
<th>Pt</th>
<th>Rh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ni</td>
<td>9.7</td>
<td>10.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Ni sulphate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co</td>
<td>24.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co sulphate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cu</td>
<td></td>
<td>13.9</td>
<td></td>
</tr>
<tr>
<td>Cu cathodes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the process of implementing the Buildings and Structures Monitoring System project:

- Automated metering tools were installed at 165 facilities
- A network of more than 1,200 sensors was deployed
- Comprehensive inspections of 154 phase 1 facilities

An IT platform titled Polar Division’s Information and Diagnostic System was developed and rolled out in Norilsk and Energy divisions.

1 GHG data is presented for 2022 and includes Norilsk Nickel Harjavalta.
2 Data is presented for 2021 and includes Norilsk Nickel Harjavalta.
Corporate climate agenda: key results and plans in 2021–2023

<table>
<thead>
<tr>
<th>2021 – results</th>
<th>2022 – results</th>
<th>2023 – plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Sustainable Development and Climate Change Committee of the Board of Directors set up</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
<td>✓ Update the Roadmap to comply with the TCFD recommendations, including the development of the division’s climate change risk management plans</td>
</tr>
<tr>
<td>✓ PJSC MMC Norilsk Nickel’s Climate Change Policy developed and approved by the Board of Directors</td>
<td>✓ The project to assess physical risks scaled up with the support of climate scientists: climate change modelling across the Company’s footprint through 2050, identifying key climate change risk factors and pilot assessment of their impact on the production assets of Norilsk, Kola, Trans-Baikal and Energy Divisions</td>
<td>✓ Publish the first dedicated climate change report</td>
</tr>
<tr>
<td>✓ Roadmap to comply with the TCFD Recommendations developed and approved by the Company’s management</td>
<td>✓ International best practices in climate change risk adaptation studied in various cities and companies</td>
<td>✓ Improve assessment methodologies for climate change risks and opportunities, including with the engagement of researchers</td>
</tr>
<tr>
<td>✓ Project to implement organisational changes solidifying functions and roles in climate change across the Company (including divisions) launched</td>
<td>✓ Proprietary scenarios for global economy and climate change developed by Norilskel</td>
<td>✓ Integrate climate change risks and opportunities into corporate business processes, including by amending corporate risk management documents</td>
</tr>
<tr>
<td>✓ Relevant methodology developed and assessment conducted to measure the carbon footprint of the Company’s core products</td>
<td>✓ Register of transition risks and opportunities compiled with their pilot assessment</td>
<td>✓ Develop adaptation and mitigation approaches and tools for transition risks and for physical risks (for individual production assets as well)</td>
</tr>
<tr>
<td>✓ First batch of carbon-neutral nickel produced</td>
<td>✓ Amendments to the Company’s guidelines prepared in connection with climate change risk management (including the Risk Management Regulations)</td>
<td>✓ Include GHG emission issues in the scope of the Company’s supplier due diligence</td>
</tr>
<tr>
<td>✓ Pilot project to assess physical climate change risks launched at business units of Norilsk and Energy divisions as well as in Polar Transport Division</td>
<td>✓ Analysis conducted in line with Science Based Targets criteria for the Company</td>
<td>✓ Develop a system for assessing climate change aspects in the corporate competence model</td>
</tr>
<tr>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
<td>✓ Methodology developed to calculate the internal carbon price</td>
<td>✓ Develop cooperation and partnerships and promote the climate agenda in the professional community, in particular participation in climate agenda committees and working group of ESG Alliance</td>
</tr>
<tr>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
<td>✓ Upstream Scope 3 GHG emissions calculated for the first time</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
</tr>
<tr>
<td>✓ The project to assess physical risks scaled up with the support of climate scientists: climate change modelling across the Company’s footprint through 2050, identifying key climate change risk factors and pilot assessment of their impact on the production assets of Norilsk, Kola, Trans-Baikal and Energy Divisions</td>
<td>✓ Quality of public climate change disclosure in the Sustainability Report improved</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
</tr>
<tr>
<td>✓ International best practices in climate change risk adaptation studied in various cities and companies</td>
<td>✓ Possible options analysed for the development of in-house power generation facilities up to 2030 based on low-carbon technologies</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
</tr>
<tr>
<td>✓ Proprietary scenarios for global economy and climate change developed by Norilskel</td>
<td>✓ Training on climate change and climate change risks provided to more than 200 employees at the Head Office and in the divisions</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
</tr>
<tr>
<td>✓ Register of transition risks and opportunities compiled with their pilot assessment</td>
<td>✓ Climate change aspects incorporated into the corporate competence model</td>
<td>✓ Approaches to climate change risks and opportunities assessment developed</td>
</tr>
</tbody>
</table>

Approaches to climate change management

Norilskel is developing a climate change management system, which includes the development and approval of by-laws, allocation of responsibilities between management bodies, and assignment of their functional duties on climate change issues.

**Climate Change Policy**

The Company has a Climate Change Policy setting out the basic principles, commitments and initiatives related to the adaptation to climate change for all business units of the Group.

The Climate Change Policy forms the foundation of the corporate sustainability programme, which creates the conditions for energy efficiency and reliance on renewable energy and green technologies, including carbon dioxide capture and recovery as well as energy storage technology.

The Company has the following key obligations under the Policy:

1. develop and regularly update its climate change strategy;
2. implement management systems and risk management tools to respond to climate change and have them integrated into the risk management system in line with the TCFD requirements;
3. organise regular audits of climate change risk management and publicly disclosed climate change indicators;
4. identify and measure the contribution of the Company’s products to the low-carbon economy in the process of organisational life-cycle assessment;
5. review commercially viable opportunities to reduce carbon footprint, including the use of assessment tools for responsible value chain management and the development of green technology partnerships to accelerate the decarbonisation of the Company’s operations;
6. attract and effectively allocate capital to implement the Company’s climate change strategy;
7. promote advance practices and innovations;
8. apply GHG emission offsetting mechanisms, including natural climate solutions (including conservation and restoration of forests and other ecosystems that absorb carbon dioxide) where the application of these solutions appears to be the most feasible and commercially viable solution;
9. adopt key performance indicators (KPIs) related to climate change goals for managers and employees of the Company;
10. expand engagement and partnership with stakeholders on climate change agenda;
11. ensure transparent and regular disclosure of GHG emission targets and other relevant indicators and aspects in accordance with the Russian laws and best global standards.

1 Part of the Environmental and Climate Change Strategy
Climate change management framework

**Board of Directors**
- Approves the Climate Change Policy and amendments to it
- Approves the Climate Change Strategy and climate change risk appetite
- Supervises performance of the risk management framework with regard to climate change risks

**Management Board**
- Senior Vice President, Operational Director
  - Develops the Environmental and Climate Change Strategy and an action plan to implement it
  - Drafts climate change KPI proposals
  - Takes stock of GHG emission sources
  - Calculates GHG emission volumes (Scope 1 and 2)
  - Delivers on energy efficiency initiatives

**Risk Management Committee of the Management Board led by the President**
- Implemets initiatives and procedures to manage climate change risks
- Reconciles parameters of the Company’s climate change risk appetite and makes recommendations to the Board of Directors regarding their approval

**Senior Vice President, Chief Financial Office**
- Calculates GHG emission volumes (Scope 3 in Upstream)
- Calculates the internal carbon price
- Calculates the actual and projected values of products’ carbon footprint
- Assesses the impact of climate change risks on the Group’s financial performance
- Integrates climate KPIs into the Group’s team KPIs

**Senior Vice President, HR, Social Policy and Public Relations**
- Integrates the Environmental and Climate Change Strategy into the Company’s development strategy
- Makes calculations for the strategic model scenarios and assesses the long-term impact of the climate scenarios on the Group’s development
- Cooperates with federal, regional and municipal authorities, and expert, scientific and non-governmental organisations on climate change issues
- Identifies, assesses and mitigates reputational transition risks associated with climate change
- Organises climate change training for employees

**Senior Vice President, Strategy and Strategic Project Management, Logistics and Procurement**
- Develops the map of key physical and transition risks, drafts reports on key risks
- Ensures uniformity of the corporate methodology to identify, assess and manage climate change risks
- Drafts proposals on the parameters of risk appetite

**Vice President, Internal Control and Risk Management**
- Assesses the impact of climate change risks and opportunities on the resilience of the product portfolio and sales strategy
- Calculates GHG emission volumes (Scope 3 in Downstream)

**Vice President, Sales and Commerce**
- Participates in drafting the Environmental and Climate Change Strategy to ensure that it complies with the sustainability concept
- Forges climate change ambitions and vision
- Develops the corporate sustainability policy and coordinates its implementation
- Provides methodological support for risk owners to incorporate climate risk factors into risk management

**Vice President, IR and Sustainable Development**
- Develops the Environmental and Climate Change Strategy and an action plan to implement it
- Drafts climate change KPI proposals
- Takes stock of GHG emission sources
- Calculates GHG emission volumes (Scope 1 and 2)
- Delivers on energy efficiency initiatives

**Group divisions**
- Integrates the Environmental and Climate Change Strategy into the Company’s development strategy
- Makes calculations for the strategic model scenarios and assesses the long-term impact of the climate scenarios on the Group’s development
- Cooperates with federal, regional and municipal authorities, and expert, scientific and non-governmental organisations on climate change issues
- Identifies, assesses and mitigates reputational transition risks associated with climate change
- Organises climate change training for employees

**Appendices**
For full information on responsibilities and functions of the Company’s governance bodies and units, please see GSC MMC Nornickel’s Climate Change Policy.
In the process of implementing the Roadmap to comply with the TCFD Recommendations and meeting the targets set in the corporate Environmental and Climate Change Strategy, Nornickel is building a framework for managing climate change risks and opportunities. The Company identifies both physical risks associated with the impact of chronic climate change and abnormal weather events, and transition risks and opportunities associated with the changing market, regulatory, technological and political environment during the transition to a low-carbon economy. In this context:

- shared climate change scenarios (pathways) apply;¹
- the Company is developing approaches to assess the impact of physical risks and transition risks and opportunities on the Company’s operations and financial performance;
- mechanisms and plans are being developed to mitigate and adapt to these risks.

Building a framework for managing climate change risks and opportunities based on shared pathways.²

---

¹ The Company’s own scenarios for the assessment of risks and opportunities correspond to the temperature ranges of the SSP used for physical risk assessment.
² SSP – Shared Socio-Economic Pathways.
³ Coupled Model Intercomparison Project
Permafrost monitoring

In 2021, as a way of adaptation to risks associated with permafrost thawing, Nornickel launched a project to develop and deploy a real-time foundation condition monitoring system for buildings and structures located in permafrost soils in Norilsk using advanced automated observation tools and a specialised IT platform.

The monitoring project is focused on using automatic equipment to keep track of temperatures in permafrost soils around bases, deformation behaviour in foundations, and temperature and humidity levels in crawl spaces. It seeks to help prevent accidents at Nornickel’s industrial facilities and, later on, local housing infrastructure and proactively identify any hazardous defects or deviations that might result in damage to the buildings and structures or their elements, with special safety criteria developed for all monitored indicators.

During 2022, an information and diagnostic system was established and put into operation, and comprehensive inspections were conducted at 134 facilities, each with surveillance programmes and safety criteria. For effective data transmission and processing, a control room was deployed and a transparent business process for supervision, monitoring and inspection of buildings and structures was built, including the development of a geotechnical monitoring standard.

As at the end of 2022, 17 assets of the Company were connected to the system and around 700 facilities were being monitored.

Some of the identified climate change risk factors, such as thawing of permafrost soils, may lead to key risks.

Transition risks and opportunities

To assess in its strategic planning the risks and opportunities arising from the global energy transition, Nornickel has developed three proprietary long-term scenarios for the global economy and climate change through 2050.

The global economic and climate change scenarios were drafted in consultation with the Institute of Economic Forecasting of the Russian Academy of Sciences. The estimated changes in global temperature under these scenarios are consistent with the three IPCC scenarios (SSP 1-2.6, SSP 2-4.5 and SSP 5-8.5) that have been adopted by the Company to assess the physical climate change risks. The scenarios were developed based on an analysis of some 190 available public scenarios from leading providers in this area (International Energy Agency, World Energy Council, International Renewable Energy Agency, OPEC, Bloomberg, NGFS, Shell, BP, DNV, etc.).

The first scenario, “Rapid Transformation” (25% probability), is aimed at achieving the Paris Agreement goals, the second, “Sustainable Palladium” (70% probability), focuses on maintaining current social, economic and technological trends, and the third, “Global Growth” (5% probability) involves abandoning efforts to curb climate change, with further economic growth to be supported by hydrocarbons, mainly in developing countries.

Sustainable Palladium became the baseline scenario, which provides for traditional industries to remain centre stage alongside with the green economy. In particular, ICE vehicles will retain a large market share, contributing to a steady demand for palladium in the long run. The Company will apply the other two scenarios in stress-testing of risks associated with climate change. In addition, a scenario parameter monitoring tool was developed to record actual deviations from the baseline.

The scenarios were approved by the Risk Management Committee of the Management Board and reviewed and recommended for further risk assessment by the Sustainable Development and Climate Change Committee of the Board of Directors.

Detailed information on transition risks and opportunities will be provided in the climate change report.

Characteristics of IPCC scenarios

The estimated changes in global temperature rise by 0.6 °C every decade, for all areas across Nornickel’s footprint are associated with permafrost thawing, from the 1960s supported by experts from the Russian Academy of Sciences to determine climate scenarios were “localised” to all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The scenarios were approved by the Risk Management Committee of the Management Board and reviewed and recommended for further risk assessment by the Sustainable Development and Climate Change Committee of the Board of Directors.

Detailed information on transition risks and opportunities will be provided in the climate change report.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.

The initial phase of the work involved retrospective analysis of climate change since the 1980s supported by experts from the Institute of Atmospheric Physics of the Russian Academy of Sciences to determine the climate trends already occurring in the Company’s regions of operation. Modelling showed an upward trend in the average annual temperature in all divisions of Nornickel. In Norilsk, for example, the temperature rose by 0.6 °C every decade, suggesting that the Paris Agreement milestone had already been passed in the region by 2022.
Greenhouse gas emissions

The Company regularly assesses greenhouse gas emissions (Scope 1 and 2) in accordance with the GHG Protocol methodology. The calculation of emissions for the Group takes into account the following greenhouse gases: carbon oxide (CO$_2$), nitrogen oxide (NO$_x$), methane (CH$_4$), with no or insignificant emissions of other greenhouse gases. The quantitative assessment of Scope 1 GHG emissions also includes the Company’s estimated prospective GHG emissions associated with the implementation of the Sulphur Programme.

Based on the results of 2022, actual direct and indirect GHG emissions (Scope 1 and 2) decreased by 0.5 mt of CO$_2$ equivalent y-o-y to a total of 7.7 mt of CO$_2$ equivalent, including the supply of heat and electricity to retail customers. The Sulphur Programme GHG emissions provision totalled 2.2 mt of CO$_2$ equivalent. The Company’s actual direct GHG emissions amounted to 7.2 mt of CO$_2$ equivalent and indirect energy emissions, to 0.5 mt of CO$_2$ equivalent. Indirect energy emissions were calculated using the location-based method, taking into account regional coefficients.

In 2022, the Company continued to quantify GHG emissions (downstream Scope 1 and 2) decreased by 0.5 mt of CO$_2$ equivalent y-o-y to a total of 7.7 mt of CO$_2$ equivalent, including the supply of heat and electricity to retail customers. The Sulphur Programme GHG emissions provision totalled 2.2 mt of CO$_2$ equivalent. The Company’s actual direct GHG emissions amounted to 7.2 mt of CO$_2$ equivalent and indirect energy emissions, to 0.5 mt of CO$_2$ equivalent. Indirect energy emissions were calculated using the location-based method, taking into account regional coefficients.

The reduction of GHG emissions (Scope 1 and 2) is due to the following reasons:

- optimisation of in-plant operation of the heat and power plants;
- optimisation of hydropower plant load regimes (increasing the share of electricity output from hydropower plants);
- weather conditions – in 2022, the heating period was shorter and the ambient air temperature during the heating period was higher than in 2021.

The intensity of actual GHG emissions (Scope 1 and 2) was 8.5 t of CO$_2$ equivalent per RUB 1 mln of consolidated IFRS revenue.

GHG emissions (Scope 1 and 2), mt of CO$_2$ equivalent

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 1</th>
<th>Scope 1 reserve for the implementation of the Sulfur Program</th>
<th>Scope 2</th>
<th>Total emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>5.9</td>
<td>2.2</td>
<td>0.5</td>
<td>9.9</td>
</tr>
<tr>
<td>2021</td>
<td>6.3</td>
<td>2.2</td>
<td>0.5</td>
<td>10.3</td>
</tr>
<tr>
<td>2020</td>
<td>5.8</td>
<td>2.2</td>
<td>0.5</td>
<td>9.7</td>
</tr>
</tbody>
</table>

In 2022, the Company continued to quantify indirect GHG emissions (downstream Scope 3) to the extent related to product sales. Under the GHG Protocol, these emissions are associated with transportation from the Company’s production assets to the customer and the first stage of product processing.

In line with the principle of continuous improvement of calculations, a number of GHG emission factors was updated based on the best available sources for the production of metals and concentrates sold by the Group. For the purpose of comparison, the data for 2021 was recalculated using emission factors applied in 2022. The Group’s downstream Scope 3 emissions for 2022 totalled 3.9 mt of CO$_2$ equivalent, down 3% y-o-y. The main drivers of the reduction are lower sales volumes and the geographical and sectoral structure of sales. The volume of downstream Scope 3 emissions is relatively small compared to global metals and mining peers, reflecting the structure and size of the Group’s product portfolio.

The volume of downstream Scope 3 emissions is relatively small compared to global metals and mining peers, reflecting the structure and size of the Group’s product portfolio.

GHG emissions (Scope 3), mt of CO$_2$ equivalent

<table>
<thead>
<tr>
<th>Year</th>
<th>Scope 3 (Upstream)</th>
<th>Scope 3 (Downstream)</th>
<th>Total: Scope 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>8.3</td>
<td>3.9</td>
<td>12.2</td>
</tr>
<tr>
<td>2021</td>
<td>8.5</td>
<td>3.7</td>
<td>12.3</td>
</tr>
<tr>
<td>2020</td>
<td>8.0</td>
<td>4.0</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Comparison with global metals and mining peers

In 2022, the Company made its first public disclosure of a quantitative estimate of upstream Scope 3 GHG emissions, covering all emission categories required by the GHG Protocol. The bulk of the emissions are related to the purchase of goods and equipment from third-party suppliers and to energy and fuel consumption (to the extent not included in Scope 1 and 2).

In 2022, total emissions amounted to 1.8 mt of CO$_2$ equivalent.

GHG emissions (Scope 1 and 2), mt of CO$_2$ equivalent

<table>
<thead>
<tr>
<th>Company</th>
<th>GHG emissions (Scope 1 and 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nornickel</td>
<td>9.9</td>
</tr>
<tr>
<td>Company 1</td>
<td>11.0</td>
</tr>
<tr>
<td>Company 2</td>
<td>12.3</td>
</tr>
<tr>
<td>Company 3</td>
<td>13.3</td>
</tr>
<tr>
<td>Company 4</td>
<td>270</td>
</tr>
<tr>
<td>Company 5</td>
<td>30.3</td>
</tr>
</tbody>
</table>

GHG emissions (Scope 3), mt of CO$_2$ equivalent

<table>
<thead>
<tr>
<th>Company</th>
<th>GHG emissions (Scope 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nornickel</td>
<td>1.8</td>
</tr>
<tr>
<td>Company 1</td>
<td>5.7</td>
</tr>
<tr>
<td>Company 2</td>
<td>8.5</td>
</tr>
<tr>
<td>Company 3</td>
<td>10.0</td>
</tr>
<tr>
<td>Company 4</td>
<td>15.9</td>
</tr>
<tr>
<td>Company 5</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Source: The Company’s analysis based on the most up-to-date available data for 2021–2022. Peers include leading global diversified metals and mining companies: BHP, Boliden, Rio Tinto, Vale, Glencore, and Anglo American.

Upstream Scope 3 GHG emissions

The Company’s strategic vision includes the following greenhouse gases: direct carbon dioxide (CO$_2$) emissions of 9.7 mt, nitrogen oxide (NO$_x$) emissions of 5.3 mt, methane (CH$_4$) emissions of 2.9 kt (mainly generated by gas transportation units), including the Sulphur Project and the heat and electricity supply to the public. The calculation includes potential GHG emissions after the completion of the Sulphur Programme. The data includes Norilsk Nickel Harjavalta.

The data for 2021 was recalculated using emission factors applied in 2022. The data includes Norilsk Nickel Harjavalta.

GHG emissions (downstream Scope 3), mt of CO$_2$ equivalent

<table>
<thead>
<tr>
<th>Year</th>
<th>First use</th>
<th>Transportation of products</th>
<th>Total downstream Scope 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>3.9</td>
<td>0.1</td>
<td>4.0</td>
</tr>
<tr>
<td>2021</td>
<td>3.9</td>
<td>0.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>

1 GHG emissions are calculated in line with the GHG Protocol methodology. The Group’s GHG emissions include the following greenhouse gases: direct carbon dioxide (CO$_2$) emissions of 9.7 mt, nitrogen oxide (NO$_x$) emissions of 5.3 mt, methane (CH$_4$) emissions of 2.9 kt (mainly generated by gas transportation units), including the Sulphur Project and the heat and electricity supply to the public. The calculation includes potential GHG emissions after the completion of the Sulphur Programme. The data includes Norilsk Nickel Harjavalta.

2 The data for 2021 was recalculated using emission factors applied in 2022. The data includes Norilsk Nickel Harjavalta.

3 Taking into account the reserve for the Sulfur Program (2.2 mln t of CO$_2$-eq.)
Carbon footprint of products

Assessment of products' carbon footprint in 2021


In 2022, the Company made a number of technical updates to the model for calculating a product’s carbon footprint:
- using corporate directories to update significant categories in order to calculate average carbon intensity ratios;
- using the SAP ERP system as a source of information on the allocation of the actual use of resources.

In the medium term, Norilsk plans to deploy an end-to-end automated system for calculating GHG-related indicators based on a unified methodology using a dedicated IT platform. This solution will allow for more efficient and accurate carbon accounting of all material flows, process stages and resources across the Group. In addition, the automated process will make it easier to provide climate information to all stakeholders in a timely manner.

Internal carbon price

In 2022, Norilsk started developing the internal carbon price – a new management tool enabling the Company to consider climate change risks when planning future operations.

Information on the methodology and results of the internal price calculation will be provided in the climate change report.
Energy consumption and efficiency

Nornickel's main power generation facilities in the Norilsk Industrial District (NID)

51% of electricity consumed came from renewable sources

As Nornickel Group's key production facilities operate in the harsh climatic conditions of the Far North, the Company's fuel and energy services are tasked with a critical mission of ensuring a reliable and continuous power supply to households and production facilities.

More than half of the electricity is generated by two hydropower plants with a total capacity of 1,111 MW:
- Ust-Khantayskaya HPP – 511 MW
- Kureyskaya HPP – 600 MW

The rest of the electricity and heat demand is covered by:
- CHP-1 – 325 MW
- CHP-2 – 350 MW
- CHP-3 – 440 MW
with a total capacity of 1,115 MW.

Three gas heat and power plants
The rest of the electricity and heat demand is covered by:
- CHP-1 – 325 MW
- CHP-2 – 350 MW
- CHP-3 – 440 MW
with a total capacity of 1,115 MW.

Seven gas boilers
One boiler in each of Talnakh, Kayerkan and Alykel, and four boilers in Dudinka provide the district with heat.

The most essential projects that we are implementing to improve equipment reliability and energy efficiency, as well as to ensure increase in production output, are:

- replacement of main hydroelectric units at Ust-Khantayskaya HPP and power units at CHP-2 and CHP-3 in Norilsk;
- reconstruction of the backup diesel fuel storage facilities at CHP-1, CHP-2 and CHP-3, boiler in Dudinka as well as at Ust-Khantayskaya HPP and Kureyskaya HPP;
- modernisation of the electricity, heat and water supply networks;
- construction of steamwater and industrial waste water treatment facilities;
- modernisation of the gas transmission and gas distribution networks;
- infrastructure modernisation and development in Tukhard;
- building five new gas wells at the Pelyatkinskoye Gas Condensate Deposit;
- comprehensive oil terminal reconstruction programme: Norilsk, Dudinka and Kayerkan oil depots.
Utilisation of renewable energy sources

Nornickel takes a comprehensive approach to energy infrastructure development, combining the objectives of improving the reliability of production assets with those of reducing GHG emissions. Nornickel makes continuous efforts to reduce the consumption of such energy sources as diesel fuel and coal, and develop alternative energy – hydropower. To that end, Nornickel works consistently to provide its operations with more economical and green energy sources, including in the long term.

The use of renewable energy, such as solar, geothermal and wind energy, is limited by harsh climatic conditions, the length of the polar night and a number of other natural features of the regions where the Company operates. Nevertheless, Nornickel keeps looking for alternative solutions to improve its energy efficiency. In 2022, the Company conducted an analysis of opportunities to switch to green energy sources to replace its own conventional gas power generation facilities in the Norilsk District in the long term through 2050.

In 2022, total fuel consumption by Group companies decreased by 6.2% compared to 2021 due to a lower gasoline and jet fuel costs because of the sale of NordStar Airlines outside the Group’s perimeter in 2022. A 3% increase in electricity consumption by 2021 was due to an increase in the consumption by the key operations in the Norilsk Industrial District. Due to higher monthly average temperatures in 2022, there was a 6% reduction in total heat and steam consumption compared to 2021.

At the moment, the most economically viable option is the use of carbon capture, transport and storage technologies. However, the Company has yet to confirm the positive experience with such technologies at high-capacity gas heat and power plants.

In addition, Nornickel is exploring the possibility of using ground- or water-based small modular nuclear reactors in Norilsk.

The analysis, carried out for the Norilsk region, revealed that most of the technologies considered for achieving zero carbon emissions from the Norilsk District’s own power generation facilities in the long term to 2050 cannot be implemented under current conditions. Natural and climatic constraints of the Arctic Zone, the requirements of an isolated power system, and the Arctic design of equipment significantly limit the use of direct carbon emission reduction technologies in the Norilsk District.

At the moment, the use of renewable energy is limited by harsh climatic conditions, the length of the polar night and a number of other natural features of the regions where the Company operates. Nevertheless, Nornickel keeps looking for alternative solutions to improve its energy efficiency. In 2022, the Company conducted an analysis of opportunities to switch to green energy sources to replace its own conventional gas power generation facilities in the Norilsk District in the long term through 2050.

In 2022, total fuel consumption by Group companies decreased by 6.2% compared to 2021 due to a lower gasoline and jet fuel costs because of the sale of NordStar Airlines outside the Group’s perimeter in 2022. A 3% increase in electricity consumption by 2021 was due to an increase in the consumption by the key operations in the Norilsk Industrial District. Due to higher monthly average temperatures in 2022, there was a 6% reduction in total heat and steam consumption compared to 2021.

The analysis, carried out for the Norilsk region, revealed that most of the technologies considered for achieving zero carbon emissions from the Norilsk District’s own power generation facilities in the long term to 2050 cannot be implemented under current conditions. Natural and climatic constraints of the Arctic Zone, the requirements of an isolated power system, and the Arctic design of equipment significantly limit the use of direct carbon emission reduction technologies in the Norilsk District.

At the moment, the most economically viable option is the use of carbon capture, transport and storage technologies. However, the Company has yet to confirm the positive experience with such technologies at high-capacity gas heat and power plants.

In addition, Nornickel is exploring the possibility of using ground- or water-based small modular nuclear reactors in Norilsk.

The analysis, carried out for the Norilsk region, revealed that most of the technologies considered for achieving zero carbon emissions from the Norilsk District’s own power generation facilities in the long term to 2050 cannot be implemented under current conditions. Natural and climatic constraints of the Arctic Zone, the requirements of an isolated power system, and the Arctic design of equipment significantly limit the use of direct carbon emission reduction technologies in the Norilsk District.

At the moment, the most economically viable option is the use of carbon capture, transport and storage technologies. However, the Company has yet to confirm the positive experience with such technologies at high-capacity gas heat and power plants.

In addition, Nornickel is exploring the possibility of using ground- or water-based small modular nuclear reactors in Norilsk.

The analysis, carried out for the Norilsk region, revealed that most of the technologies considered for achieving zero carbon emissions from the Norilsk District’s own power generation facilities in the long term to 2050 cannot be implemented under current conditions. Natural and climatic constraints of the Arctic Zone, the requirements of an isolated power system, and the Arctic design of equipment significantly limit the use of direct carbon emission reduction technologies in the Norilsk District.

At the moment, the most economically viable option is the use of carbon capture, transport and storage technologies. However, the Company has yet to confirm the positive experience with such technologies at high-capacity gas heat and power plants.

In addition, Nornickel is exploring the possibility of using ground- or water-based small modular nuclear reactors in Norilsk.

The analysis, carried out for the Norilsk region, revealed that most of the technologies considered for achieving zero carbon emissions from the Norilsk District’s own power generation facilities in the long term to 2050 cannot be implemented under current conditions. Natural and climatic constraints of the Arctic Zone, the requirements of an isolated power system, and the Arctic design of equipment significantly limit the use of direct carbon emission reduction technologies in the Norilsk District.

At the moment, the most economically viable option is the use of carbon capture, transport and storage technologies. However, the Company has yet to confirm the positive experience with such technologies at high-capacity gas heat and power plants.

In addition, Nornickel is exploring the possibility of using ground- or water-based small modular nuclear reactors in Norilsk.
Electric power and heat consumption by the Group companies, TJ

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Including in 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric power and heat consumption by the Group companies</td>
<td>59,996</td>
<td>60,771</td>
<td>60,143</td>
<td>31,546</td>
</tr>
<tr>
<td>including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Polar Division</td>
<td>30,869</td>
<td>30,727</td>
<td>31,307</td>
<td>14,806</td>
</tr>
<tr>
<td>• NTEC</td>
<td>6,185</td>
<td>6,439</td>
<td>6,045</td>
<td>4,071</td>
</tr>
<tr>
<td>• Kola MMC</td>
<td>11,542</td>
<td>9,393</td>
<td>9,289</td>
<td>6,599</td>
</tr>
<tr>
<td>HPP share in total electric power consumption in the Norilsk Industrial District</td>
<td>55%</td>
<td>52%</td>
<td>56%</td>
<td>-</td>
</tr>
<tr>
<td>HPP share in total electric power consumption by the Company</td>
<td>46%</td>
<td>47%</td>
<td>51%</td>
<td>-</td>
</tr>
<tr>
<td>HPP share in total electric power and heat consumption by the Company</td>
<td>25.5%</td>
<td>24%</td>
<td>26.9%</td>
<td>-</td>
</tr>
</tbody>
</table>

Fuel and energy savings resulting from energy consumption reduction and energy efficiency improvement initiatives in 2022

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Nornickel Group average</th>
<th>Including</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Polar Division</td>
<td>NTEC</td>
</tr>
<tr>
<td>Total savings, TJ</td>
<td>362.7</td>
<td>128.0</td>
</tr>
<tr>
<td>including:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• electricity</td>
<td>76.6</td>
<td>12.5</td>
</tr>
<tr>
<td>• heat in water and steam</td>
<td>248.3</td>
<td>115.4</td>
</tr>
<tr>
<td>• fuel</td>
<td>37.8</td>
<td>-</td>
</tr>
</tbody>
</table>

The Company’s divisions annually develop and implement initiatives to save fuel, energy, and water.

In 2022, the implementation of operational and technical measures to reduce energy consumption and improve energy efficiency resulted in savings of 362.7 TJ, with the costs totaling RUB 2.2 bn. The savings were achieved due to the measures to switch to LED lighting, improving thermal insulation through the use of modern materials for piping, window and door openings, the use of automatic heat control systems based on changes in ambient temperature, and by introducing automated energy accounting systems for plant workshops.

Including 5,948 TJ of steam energy.
Air

As Nornickel has a significant impact on atmosphere, reduction of pollutant emissions is one of the key objectives pursued by the Company’s Environmental Strategy.

In 2022, the Group’s total emissions amounted to 1.8 mt, up 10.5% y-o-y. The growth was driven by the recovery of Norilsk Division’s production volumes after their reduction in 2021 as a result of suspended operations at two mines of Norilsk Concentrator. Kola Division’s emissions continued to decrease following the shutdown of several outdated metallurgical shops: total emissions went down by 18% y-o-y.

With its wide range of operations, Norilsk Division emits more than 60 pollutant substances into the air. Sulphur dioxide accounts for around 98% of those emissions. Reduction of sulphur dioxide emissions is Nornickel’s strategic priority. To that end, it runs the Sulphur Programme, the largest environmental initiative of the Company in terms of scope and financing.

Use of ozone-depleting substances

Nornickel neither produces nor uses ozone-depleting substances (ODS), except for extremely limited amounts used as a chemical agent for laboratory-based chemical analysis as well as for filling and topping compressors in air conditioning units and carbonated water machines that produce water used as a cooling agent for medium- and low-temperature refrigerating equipment. The Company reports on the use of such substances to the Russian Ministry of Natural Resources and Environment as required.

Air quality monitoring and forecasting system

To ensure the high quality of input data and raise awareness of local communities about pollutant emissions, the Company has rolled out an advanced air quality monitoring and forecasting system in Norilsk, Monchegorsk, Nickel and Zapolyarny.

With air quality monitoring and forecasting system, the Company can:

- View air quality measurements from each station.
- Set up various notification scenarios in case of excessive emissions.
- Inform residents about air quality in the city in general and in each district.
- Access data for prompt decision-making on changes that need to be made to the production process for preventing or minimising emissions.
- Provide data on maps, charts, or widgets.
- Use a mathematical model with a 24-hour forecast.
Sulphur Programme

The Sulphur Programme is Nornickel’s flagship environmental project on sulphur dioxide (SO₂) capture and recovery, which is one-of-a-kind globally. The technology makes it possible to capture up to 99% of SO₂, convert it into sulphuric acid and then into gypsum.

The Sulphur Programme provides for gradual reduction in SO₂ emissions, coming from off-gases produced by the key smelting units (earthworks, concrete works, assembly equipment, etc.).

Researchers from the Russian Academy of Sciences found that the Sulphur Programme has a clearly articulated social dimension. In order to capture the full social and environmental benefits beyond the scope of its design capacities, the Sulphur Programme seeks to create significant social and environmental impacts:

1. Nornickel’s operations on water bodies is identified; 2. Nornickel has in place a Position Statement on Water Stewardship, which outlines key principles of Nornickel’s water stewardship:

- Complying with applicable national laws and rules
- Enabling information accessibility and transparency as regards water stewardship
- Working towards water consumption and discharge targets, efficient water use
- Adherence to international best practices and requirements of leading sustainability associations
- Liaising with government bodies to participate in drafting environmental responsible water protection regulations
- No Company’s or its branches’ operations in waterscarce areas as they are defined in the World Resources Institute’s Aqueduct Water Risk Atlas
- Proactively engaging stakeholders on matters of external water resource management to support predictable, consistent and effective regulation
- Making sure that the employees of the production facilities belonging to the Company and its branches comply with the 2021 Position Statement on Water Stewardship at all stages of these facilities’ life cycle

The total CAPEX for the Sulphur Programme is estimated at around USD 4.1–4.3 bn.

Protection of water bodies

Nornickel takes a responsible approach to its use of water resources. The Company withdraws water for production needs strictly in line with the pre-approved limits and consistently ensures compliance with permissible wastewater discharge limits based on the Group companies’ corporate environmental reporting and its analysis. Nornickel uses water from surface and underground sources for drinking and production needs, as well as for reprocessing and recycling water supply. The Company regularly runs observation programmes for water bodies and water protection zones that serve as water sources for Nornickel. In 2022, no major impact of Nornickel’s operations on water bodies was identified, water withdrawal was within the pre-approved limits. No water is withdrawn from the bodies included in the Ramsar Convention on Wetlands of International Importance. The Company’s areas of operation are not water-scarce.

To decrease withdrawal volumes, the Company continues to improve its closed water circuit, which enables efficient use of water resources. In 2022, 82% of all water used by the Company was recycled and reused.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.

In 2022, Nornickel joined forces with the Russian Academy of Sciences to assess the social and environmental impacts of the Sulphur Programme on Russian economy.
Excluding water reuse from NTEC. Until 2019 (incl.) the water withdrawal of Polar Division also accounted for the water withdrawal of Norilskenergo (MMC Norilsk Nickel’s branch); since 2020, the latter has been accounted for as part of NTEC’s water withdrawal. Data includes the natural inflow of mine water.

The data in the chart is presented in line with GRI 303 (2018) methodology.

To manage risks, Nornickel regularly assesses its impact on water resources using the following procedures:

- wastewater inventory;
- monitoring of effluent volumes and quality at the discharge locations;
- observations of surface water bodies at control points upstream and downstream of the discharge locations;
- monitoring of wastewater treatment processes at treatment facilities and taking measures to improve treatment efficiency.

The Company continuously invests in improving the efficiency of existing water treatment systems and building new ones.

Water withdrawal in 2022 remained broadly flat y-o-y.

The water consumption for production needs increased due to the launch of new shops at Kola MMC, ramp-up of the Carbonyl Nickel Section, achievement of the designed capacity of the concentrate shipment section of the concentrator, and commissioning of a system for commercial accounting of power consumption at Polar Division.

Nornickel’s wastewater discharges into water bodies are predominantly in line with the pre-approved limits as required by Russian laws. Effluent discharge in 2022 went down by 13% y-o-y. The discharge of wastewater pollutants in 2022 decreased by 12% y-o-y, mostly due to changes in mine workings’ inflow caused by weather conditions.

The water consumption for production needs increased due to the launch of new shops at Kola MMC, ramp-up of the Carbonyl Nickel Section, achievement of the designed capacity of the concentrate shipment section of the concentrator, and commissioning of a system for commercial accounting of power consumption at Polar Division.

Management of water stewardship risks

Total water withdrawal from external sources\(^1\), mcm

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polar Division</td>
<td>38.0</td>
<td>28.0</td>
<td>26.0</td>
<td>33.0</td>
<td>39.0</td>
</tr>
<tr>
<td>NTEC</td>
<td>35.0</td>
<td>25.0</td>
<td>26.0</td>
<td>31.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Kola MMC</td>
<td>209.0</td>
<td>240.0</td>
<td>28.0</td>
<td>35.0</td>
<td>39.0</td>
</tr>
<tr>
<td>Other Group companies</td>
<td>33.0</td>
<td>25.0</td>
<td>28.0</td>
<td>30.0</td>
<td>33.0</td>
</tr>
<tr>
<td>Group’s total</td>
<td>357.0</td>
<td>351.0</td>
<td>375.0</td>
<td>393.0</td>
<td>395.0</td>
</tr>
</tbody>
</table>

Total water consumption\(^2\), mcm

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polar Division</td>
<td>192.0</td>
<td>177.0</td>
<td>172.0</td>
<td>177.0</td>
<td>185.0</td>
</tr>
<tr>
<td>NTEC</td>
<td>170.0</td>
<td>151.0</td>
<td>172.0</td>
<td>177.0</td>
<td>181.0</td>
</tr>
<tr>
<td>Kola MMC</td>
<td>75.0</td>
<td>76.0</td>
<td>20.0</td>
<td>25.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Other Group companies</td>
<td>20.0</td>
<td>21.0</td>
<td>22.0</td>
<td>23.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Group’s total</td>
<td>307.0</td>
<td>260.0</td>
<td>265.0</td>
<td>272.0</td>
<td>297.0</td>
</tr>
</tbody>
</table>

\(^1\) Excluding water reuse from NTEC. Until 2019 (incl.) the water withdrawal of Polar Division also accounted for the water withdrawal of Norilskenergo (MMC Norilsk Nickel’s branch); since 2020, the latter has been accounted for as part of NTEC’s water withdrawal. Data includes the natural inflow of mine water.

\(^2\) The data in the chart is presented in line with GRI 303 (2018) methodology.

Effluents by destination in 2022, mcm

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water bodies</td>
<td>17.2</td>
<td>25.6</td>
<td>27.2</td>
<td>27.2</td>
<td>27.2</td>
</tr>
<tr>
<td>NTEC network</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Municipal and other water networks (excluding NTEC)</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Sea or ocean water</td>
<td>168.0</td>
<td>168.0</td>
<td>168.0</td>
<td>168.0</td>
<td>168.0</td>
</tr>
</tbody>
</table>

The water consumption for production needs increased due to the launch of new shops at Kola MMC, ramp-up of the Carbonyl Nickel Section, achievement of the designed capacity of the concentrate shipment section of the concentrator, and commissioning of a system for commercial accounting of power consumption at Polar Division.
Impact of transport on water bodies

The Company operates water and other modes of transport, which affects the environment. Nornickel’s impact on water bodies was analysed during the big scientific expedition.

For more details, please see the Biodiversity section.

The environmental impact of water transportation largely arises from:
• use of oil-containing fuel (mainly diesel fuel), which directly contributes to air pollution during combustion and indirectly – to water bodies’ contamination;
• noise pollution affecting hydrobiots, marine birds and marine mammals;
• ballast, bilge and waste water sent by the Company to treatment facilities and then discharged into water bodies;
• a fuel spill has the most potential adverse impact and is the key hazard for marine mammals.

The Company recognises that there are risks that may potentially lead to adverse environmental impacts. These risks include:
• losses during cargo operations (loading and unloading of oil products, bulk cargo, other substances);
• fuel spills;
• emergencies (leakage of oil products into water bodies);
• dispersal of invasive species by ballast water.

Risks associated with the negative impact of the Company’s transport on water bodies are identified and mitigated within the framework of the environmental risk management system.

Nornickel’s management of its impact on water bodies includes liaising with a wide range of stakeholders, in particular external experts and employees directly engaged in operations involving the Company’s water transport. Interaction with dedicated professionals helps Nornickel be more effective and efficient in reducing the negative and building up the positive impact on water resources.

In managing its impact on water bodies, the Company regularly carries out:
• pollutant emissions and discharges’ review;
• industrial environmental control;
• measurement of the volume of water withdrawn from water bodies, as well as the volume and quality of effluent discharge, including drainage water;
• observations of water bodies (their morphometric features);
• observations of water protection zones;
• development of standards.

To reduce its environmental footprint, the Company also implements environmental protection measures and programmes aimed at reducing fuel consumption and preventing contamination of the Dudinka and Yenisey rivers. To compensate for the estimated damage to aquatic biological resources, Nornickel regularly releases juvenile fish.

Port infrastructure, including water transport with a negative impact on the environment, is operated in accordance with the Russian laws.

In 2022, Yenisey River Shipping Company was passed by 572.1 kT of cargo, other substances), as well as the volume and quality of effluent discharge, including drainage water; of which were deliver a total of 13.1 kT of wastewater, including 4.3 kT of oil-containing water, and approximately 1 kT of rubies, while also delivering 3.5 kT of drinking water.

In 2022, Nornickel expanded its environmental fleet with Sbornokh-2, a motor vessel with a capacity of 150 t, which was acquired and put into operation after a repair.

During the navigation period, waste collecting vessels collect oil-contaminated water, sewage and rubbish from motor vessels along the Yenisey River and the Lower Angara River. Yenisey River Shipping Company has a licence to collect, transport, treat, utilise, neutralise, and dispose of waste of hazard classes 1–4. Waste collecting vessels also provide crews with drinking water. The company also renders these services to third parties lacking such a licence and auxiliary fleet.

In the 2022 navigation period, the collecting vessels collected a total of 13.1 kT of wastewater, including 4.3 kT of oil-containing water, and approximately 1 kT of rubies, while also delivering 3.5 kT of drinking water.

In accordance with the Russian laws, the Company maintains records of waste generated, treated, recovered, neutralised, transferred to or received from third parties, use of oil-containing fuel, and concentration is a result of various production or other economic activities, or comes from materials and products that have lost their consumer properties after having been used according to their intended purpose.

The most hazardous waste generated by the Company is hazard class 1 (extremely hazardous) and hazard class 2 (highly hazardous) waste. The majority of this waste is mercury lamps and thermometers, batteries, acids and alkalis used in batteries, uninterruptible power supplies, and oils.

Waste generation, mt

The total amount of waste generated in 2022 increased due to the expansion of production activities (mining and concentration), as well as implementation of a programme on land clean-up and dismantling of unused buildings and structures, which resulted in the generation of construction waste in the Norilsk Industrial District.

Hazard classes 1 and 2 waste was developed from the moment of registering with the system to signing the primary accounting documents.
Contribution to combating contamination with waste

Nornickel strives to foster non-waste production by developing and implementing waste recovery approaches, making efforts to clean up existing pollution. Waste generated by the Company is used by third parties and Nornickel itself for backfilling of mined-out areas and pits, road filling, building of tailing dumps, and placement in waste dumps. Recovery provides for the economic utilisation of waste and reduction of landfill disposal, which helps minimise adverse environmental impact.

Key projects and initiatives contributing to increased waste recycling and treatment

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Expected effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building a crushing unit for processing construction waste into certified crushed stone</td>
<td>15% of waste generated by the Company will be recovered</td>
</tr>
<tr>
<td>Constructing a ferrous scrap recycling shop</td>
<td>Ferrous scrap metal processing capacity will be 100 ktpa</td>
</tr>
<tr>
<td>Building a non-ferrous scrap recycling shop</td>
<td>Non-ferrous scrap metal processing capacity will reach 2 ktpa</td>
</tr>
<tr>
<td>Launching a pilot project for waste sorting in Monchegorsk</td>
<td>80% of waste generated by the Company will be sorted</td>
</tr>
<tr>
<td>Processing large tyres and rubber products into crumb rubber/pyrolysis fuel</td>
<td>All of the Company’s rubber products waste will be recycled</td>
</tr>
<tr>
<td>Developing a technology to recycle sludge</td>
<td>–</td>
</tr>
</tbody>
</table>

An increase in waste disposal in 2022 was due to the use of overburden in own operations (road backfilling, strengthening of tailing dumps, site levelling).

In 2022, the Company continued implementing the Clean Norilsk Project to clean up industrial and construction waste. To implement the Project, in 2020 the Company’s Polar Division established dedicated units tasked with:

- dismantling of unused and dilapidated buildings and structures;
- clean-up of production waste and scrap metal;
- removal of waste and scrap metal to special landfill and processing sites;
- clean-up of waste and scrap metal in hard-to-reach locations of the forest-tundra area;
- implementation of land rehabilitation measures;
- processing of collected scrap into charge for further transportation.

Since the start of the Clean Norilsk programme in 2021, 262 dismantled buildings have been dismantled, 71 kt of scrap metal and 814 kt of waste collected and removed, and an area of 2.6 million m² cleaned. The technical phase of disturbed land rehabilitation was carried out on an area of 78.8 ha. Total costs since Clean Norilsk was implemented have exceeded RUB 11 bn.

By 2030, Nornickel plans

- Remove up to 2 mt of waste
- Clean an area of up to 24 million m²
- Dismantle over 500 abandoned structures

In-house waste disposal, mt

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polar Division</td>
<td>4.0</td>
<td>3.0</td>
<td>4.0</td>
<td>3.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Kola MMC</td>
<td>13.5</td>
<td>9.7</td>
<td>6.1</td>
<td>4.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Other Group companies</td>
<td>10.5</td>
<td>6.1</td>
<td>2.5</td>
<td>3.3</td>
<td>2.1</td>
</tr>
<tr>
<td>NGRK Bystrinskoye</td>
<td>44.4</td>
<td>23.7</td>
<td>17.1</td>
<td>10.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Group’s total</td>
<td>34.3</td>
<td>23.0</td>
<td>17.0</td>
<td>10.8</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Taking into account the scope of work, seasonality factor, and a large distance between the to-be-cleaned areas and waste disposal sites, the programme will be carried out in stages over the next 10 years.

According to preliminary estimates, the programme’s cost will exceed RUB 40 bn.
Waste disposal

Tailing dumps

Nornickel takes a responsible approach to tailings management, paying particular attention to their physical and technological safety.

In 2021, the Company put in place a Tailings Management Policy, which is fundamental for managerial decision-making.

<table>
<thead>
<tr>
<th>Division/subsidiary</th>
<th>Number of tailing dumps</th>
<th>User</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polar Division</td>
<td>2</td>
<td>• Taimakh Concentrator, • Nadezhda Metallurgical Plant</td>
</tr>
<tr>
<td>Medvezhy Ruchey</td>
<td>2</td>
<td>• Norilsk Concentrator</td>
</tr>
<tr>
<td>Koia MMC</td>
<td>1</td>
<td>• Zapolyarny Concentrator</td>
</tr>
<tr>
<td>GRK Bystrinskoye</td>
<td>1</td>
<td>• Bystrinsky Concentrator</td>
</tr>
</tbody>
</table>

A gypsum storage facility is also under construction in Norilsk.

The Company regularly monitors the condition of hydraulic structures of tailing dumps and conducts environmental monitoring in the adjacent areas.

Nornickel complies with the Russian laws associated with tailings management. Additionally, we developed mandatory safety criteria to operate each tailing dump and had them approved by regulators.

The Company regularly reviews the time frames for decommissioning of tailing dumps and determines the future closure and land rehabilitation costs. Based on the results, the Company calculates the present value of future costs, recognising its environmental provision with respect to the tailing dumps.

Nornickel takes a risk-based approach to tailings management. To address tailing dump-related risks, the Company has organisational units and officers providing regular reports to the management. Such units engage qualified and experienced staff. The hydraulic structures are constantly monitored by the operating personnel and a dedicated environmental team.

In addition to the Company’s initiatives, Rostechnadzor carries out annual pre-flood inspections of hydraulic structures together with Nornickel employees. Every five years, the hydraulic structures are subject to detailed inspections by a Rostechnadzor-certified agency that issues an industrial safety declaration upon which Rostechnadzor carries out a comprehensive audit.

Over the last five years, there have been no environmental incidents at the Company’s hydraulic structures.

There are two processes in place to assess the Company’s tailing dump-related risks:

- Estimates of potential damage to life and health of individuals, and to property of individuals and legal entities as a result of an emergency at a hydraulic structure. Estimates of potential damage serve to identify possible emergency scenarios and assess emergency risks and the negative impact on communities, ecosystems and critical infrastructure;
- Assessment of technical and production risks carried out in line with Nornickel’s Regulations on Technical and Production Risk Management.

Potential damage estimates show minimum risks for local communities, ecosystems and critical infrastructure in case of an emergency, as all of the tailing dumps operated by Nornickel are located away from production facilities and residential areas.

Nevertheless, the Company develops emergency preparedness and response plans for worst-case scenarios, as required by the Russian laws. The plans determine roles, responsibilities, and communication procedures.

The emergency preparedness and response plans as well as the public warning system are subject to periodically testing. At least once every five years, when developing a safety declaration Nornickel runs comprehensive drills to verify its preparedness for containing and eliminating emergencies at hydraulic structures. These drills are attended by experts from EMERCOM. If successful, an opinion is issued on the company’s readiness to contain an emergency at a hydraulic structure and protect local residents.

Nornickel has all necessary material and financial resources required to respond to an emergency at its tailing dumps and promptly repair any damage, including a sufficient fleet of excavators, dump trucks and other special vehicles (as outlined in contingency plans). Employees operating the tailing dumps undergo regular dedicated training and knowledge tests mandated by Rostechnadzor.
Soil protection and responsible mining

Land protection

Nornickel seeks to reduce the negative impact on soils resulting from the Company’s operations. To this end, Nornickel focuses on the rehabilitation of all land affected by construction and mining, as well as otherwise affected by our operations.

The Company conducts an environmental impact assessment, including a negative impact on land, in accordance with the Russian laws.

Nornickel is developing the Oktyabrskoye, Talnakhskoye and Norilsk-I deposits on the Taimyr Peninsula, Zhdanovskoye, Zapolyarnoye, Kotelovo and Semiletka deposits on the Kola Peninsula, and the Bystrinskoye deposit in the Trans-Baikal Territory.

For each deposit, the Company has built and is continuously updating a list of measures to prevent or mitigate potential negative effects on the environment while ensuring sustainable use of natural resources throughout the deposit life cycle.

Environmental protection and monitoring measures taken during the deposit life cycle

The Company has field development, mine liquidation and land rehabilitation project documents in place for all of its deposits. Nornickel’s deposits are in commercial development, exploration or production test stages with liquidation or abandonment not expected until 2050 and special provisions set aside for rehabilitation activities.

The quality of the work performed is confirmed by:
• lab tests of the rehabilitated soils conducted by the Trofimuk Institute of Petroleum Geology and Geophysics of the Siberian Branch of the Russian Academy of Sciences;
• report on the inspection control and evaluation of the work quality submitted by the Institute of Soil Science and Agrochemistry of the Siberian Branch of the Russian Academy of Sciences.

The transfer of the rehabilitated land plots of a total area of 27.4 ha to the Norilsk Administration is scheduled for 2023.

In January 2022, NTEC transferred land plots of a total area of 47.5 ha to the Norilsk Administration, with certificates for acceptance and delivery signed; 2021 saw the rehabilitation of these land plots, which were contaminated by the fuel spill and disturbed during clean-up activities.

As for the remaining area of 27.4 ha, the rehabilitation works were completed in full in the reporting year.

Disturbed and rehabilitated land area in 2022, ha

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total</th>
<th>Including:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>during mining</td>
<td>during construction</td>
</tr>
<tr>
<td>Total disturbed area, beginning of period</td>
<td>16,694</td>
<td>14,055</td>
</tr>
<tr>
<td>Total rehabilitated area</td>
<td>75</td>
<td>0</td>
</tr>
<tr>
<td>Total disturbed area in the reporting period</td>
<td>317</td>
<td>145</td>
</tr>
<tr>
<td>Total disturbed area, end of period</td>
<td>16,936</td>
<td>14,199</td>
</tr>
</tbody>
</table>

Completion of the restoration efforts at CHP-3

In January 2022, NTEC transferred land plots of a total area of 47.5 ha to the Norilsk Administration, with certificates for acceptance and delivery signed; 2021 saw the rehabilitation of these land plots, which were contaminated by the fuel spill and disturbed during clean-up activities.

As for the remaining area of 27.4 ha, the rehabilitation works were completed in full in the reporting year.

The transfer of the rehabilitated land plots of a total area of 27.4 ha to the Norilsk Administration is scheduled for 2023.

The table does not include data on disturbed and rehabilitated land near CHP-3.
To replenish its resource base, Nornickel focuses closely on exploration, including geophysical and geochemical surveys and drilling at promising subsoil areas across the Company’s current operations. Nornickel sees a significant potential for the discovery of new deposits and plans to continue exploration both within and beyond its footprint to unlock it.

The Group’s exploration activities are subject to various regulations of the Russian Federation covering subsoil use, environmental protection, occupational health, industrial and fire safety. Furthermore, Nornickel assesses its environmental protection obligations based on the requirements of applicable laws in various jurisdictions; terms of licence agreements and internal engineering estimates as interpreted by the Company’s management.

In order to assess, monitor and predict the environmental situation during exploration, development and operation of deposits to make competent management decisions aimed at preserving habitats and ensuring environmental safety of traditional trades, we conduct environmental monitoring at all stages of exploration and development.

As Nornickel seeks to keep ecosystems intact, it avoids exploration at protected natural areas and world heritage sites, and ensures no negative impact on the traditional industries, cultural heritage, interests and traditional lifestyles of indigenous peoples.

In addition to environmental monitoring, exploration is accompanied by a set of measures to protect the subsoil, topsoil, vegetation and water bodies. Upon completion of reserve exploration, disturbed land is subject to rehabilitation including liquidation of drilling sites, neutralisation of soil contaminated with fuel and lubricants, as well as land leveling. The sites are brought to a condition suitable for further use according to their intended purpose.
### Biodiversity

#### Biodiversity impact management

The Company's activities in this area are guided by the following principles:
- biodiversity impact management;
- sustainable use of natural resources;
- recognition of the importance of ecosystems; and sustainable use of terrestrial ecosystems.

Nornickel recognises the need to protect the environment and seeks to prevent net biodiversity losses caused by the Company's operations.

The Company's biodiversity management system includes a comprehensive study of ecosystems in the areas where the Group operates, which helped identify the main aspects necessary to develop a biodiversity impact management system:
- historical data on ecosystems;
- provision of expertise and mining at World Heritage sites and in all protected natural areas.

In 2021, the Company committed to preserve biodiversity by issuing a Position Statement on Biodiversity. In 2022, Nornickel started to deliver on its commitments, with the first step being a baseline biodiversity research.

The project on the baseline biodiversity research called the Big Scientific Expedition was the jump-off point for the development of the Company's biodiversity impact management system. The expedition included a comprehensive study of ecosystems in the areas where the Group operates, which helped identify the main aspects necessary to develop a biodiversity impact management system:
- historical data on ecosystems;
- boundaries of areas with a negative impact on ecosystem biodiversity;
- negative factors and threats to biodiversity; and
- indicator species reflecting the ecosystem condition.

In 2023, the Company plans to continue its biodiversity research, aiming for continuous monitoring of biodiversity. This approach will help capture changes in the state of ecosystems, while changes in the deviation targets of the impacted areas as opposed to reference areas will help assess the effectiveness of the Company's initiatives.

The data on biodiversity indicators obtained in 2022 following the expedition helped form the basis for determining the Company's biodiversity conservation target. To effectively manage the negative impact at the Head Office level, a draft corporate standard for ecosystem biodiversity conservation and monitoring was developed and is expected to be finalised in 2023–2024.

---

1. Publicly available at Nornickel's website.
2. For more details, please see the presentation on the results of the Big Scientific Expedition at Nornickel's website.
In addition, the Company’s divisions and some remote assets that have a negative impact on biodiversity are developing and adopting their own local biodiversity conservation programmes. Nornickel's biodiversity impact management system covers all stages of the project life cycle, from pre-FEED to post-liquidation. The system provides for mandatory pre-project biodiversity research.

Impact on biodiversity in terms of value chain and life cycle stages

Nornickel’s mining facilities include mines and open pits operated by mining enterprises of the Company. Processing facilities include mills and factories. Logistics facilities comprise marine and river transport companies. Energy facilities consist of fuel facilities that are located in the shared areas and have both an individual and cumulative impact on ecosystems. When it comes to biodiversity monitoring, it is not practical to break down enterprises along the value chain into categories as they are connected in terms of location. For such conglomerates, biodiversity impacts are managed through unified biodiversity conservation and monitoring programmes in unified areas of cumulative impact. Water transport companies develop separate programmes for biodiversity conservation taking into account their specifics.

Biodiversity conservation issues are also included in the supplier management system as part of the relevant section in the Supplier Code of Conduct, which the contractors are required to follow.

Most of Nornickel’s assets are in operation, and they also have the greatest impact on biodiversity. In the reporting year, all existing mining, production, energy and logistics assets saw biodiversity studies, training of specialists, and drafting of biodiversity impact management system documentation.

In 2022, the Company’s asset in Nickel was prepared for liquidation. Biodiversity monitoring continues around the shutdown workshop. Nornickel’s mining, processing and energy facilities are interconnected into production clusters that are located in the shared areas and have both an individual and cumulative impact on ecosystems.

The features of the areas affected by the Company’s operations for more than 80 years were studied during the 2022 big scientific expedition. The expedition was conducted by Nornickel jointly with the Siberian Branch of the Russian Academy of Sciences to identify the Company’s impact area and assess the current state of ecosystem biodiversity within the proposed impact areas. The Siberian Branch of the Russian Academy of Sciences was selected as an institution capable to attract a large number of experts from relevant scientific institutions in a variety of regions. The expedition also involved experts from specially protected natural areas situated nearby in view of their comprehensive knowledge of the local context.

Boundaries of impact areas, km

<table>
<thead>
<tr>
<th>Division</th>
<th>Significant</th>
<th>Medium</th>
<th>Low</th>
<th>Updated impact area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trans-Baikal Division</td>
<td>1</td>
<td>1-5</td>
<td>5-10</td>
<td>10</td>
</tr>
<tr>
<td>Norilsk and Energy divisions</td>
<td>1-2</td>
<td>1-5</td>
<td>2-10</td>
<td>10</td>
</tr>
<tr>
<td>Kola Division</td>
<td>2-3</td>
<td>3-10</td>
<td>10-16</td>
<td>16</td>
</tr>
</tbody>
</table>

The most significant changes manifested in the reduction of most of the recorded biodiversity parameters are observed in the area of significant impact of the Company and have clearly delineated boundaries marked as sanitary protection areas, which in some cases may extend up to 1–3 km beyond the territory where Nornickel operates. The boundary between medium and low impact areas is conventional as the differences in biodiversity parameters between these areas are generally insignificant, and a comparative analysis reveals almost no statistically significant differences.

Main biodiversity threats

The research identified negative factors and threats to biodiversity. The main negative factors affecting biodiversity due to the Group’s operations:

- habitat fragmentation caused by withdrawal of territories, including transport and energy infrastructure;
- landscape transformation due to overburden and rocks, and hydraulic facilities (tailing dumps);
- contamination of the environment with emissions and discharges;
- human activities.

The most obvious threats to biodiversity following the expansion or lack of timely upgrade of the production facilities:

- man-induced transformation of habitats of typical and rare animal species;
- fragmentation of species and communities’ habitat;
- mediated expansion of certain vector species’ distribution;
- introduction of non-native species;
- increased frequency and scale of fires.
Ecosystems of the Norilsk Industrial District (Norilsk and Energy divisions)

According to the research results, emissions have a significant impact on ecosystems, getting lower with distance. In some areas, utility effluents from production facilities also affect water bodies. In the surroundings of Norilsk to the south along the Medvezhy Ruchey valley, impact on vegetation cover in the form of chemical burns on leaves can be traced up to 15 km from production facilities, while a reliable decrease in species diversity is observed at a distance of up to 3–4 km. At longer distances, no credible impacts on vegetation biodiversity are observed.

A specific feature of the Norilsk Industrial District is the proximity of production facilities to the Company’s facilities. The boundary of the significant impact area in the immediate vicinity of the Company’s facilities, but are more related to the diversity of biotopes on a particular reference site. The Uryumkan Nature Reserve in the Gazimuro-Zavodsky District (Trans-Baikal Division) is located closest to Trans-Baikal Division facilities and its area of impact and is the most important for biodiversity maintenance and restoration. The distance between the Norilskel site and the Uryumkan Nature Reserve is 22 km. Thus, it appears that Trans-Baikal Division enterprises do not have a significant impact on biodiversity and the ecosystem of specially protected natural areas in the region.

Ecosystems of port areas of river transport enterprises

The research showed that all three segments of Krasnoyarsk River Port and Lesosibirsk Port are only minor elements of the overall urban agglomeration. Based on a number of facts, it can be said that Nornickel’s enterprises in Krasnoyarsk River Port and Lesosibirsk Port have no specific impact on bird populations and microbiological parameters of water bodies. A biodiversity conservation programme was developed to manage the impacts.

Specific impacts of branches using the Northern Sea Route

According to the bird fauna research results, the minimal impact of the ports’ berthing facilities is inseparable from the overall impact of the ports and the urban territory as a whole. Therefore, it is not the operation of the berths that has a significant impact on biodiversity, the overall urban agglomeration and marine mammals but the shipping traffic on the Northern Sea Route as a whole. To manage the biodiversity impact from vessel operations, a programme of measures has been developed that include preventing the pollution of the water body from the operation of berths and minimising the negative impacts from shipping. Population monitoring of birds and marine mammals was carried out along the Northern Sea Route in 2022.
Key biodiversity values identified in the impact areas of Nornickel's operations

GRI 304-1

Key biodiversity values include protected species as well as critical habitats and key biotopes1.

For the information on protected species found in the impact areas of the facilities see the Appendix GRI Quantitative Indicators Disclosure.

Norilsk and Energy divisions

In the Norilsk Industrial District, a habitat critical for the conservation of a rare plant species, northern spike moss (Selaginella selaginoides), was identified. The plant has an extensive Holarctic distribution, but is far from being of universal occurrence. The identified habitats are considered as critical and should be used for multi-year monitoring of the species’ local populations.

In addition to rare species’ habitats, highly threatened and/or unique ecosystems were identified within Energy Division’s footprint, in particular the steppe-tundra habitats on the boulder trains in the Medvezhy Ruchey valley. This steppe-tundra is a relic of the Last Glacial Period – a period of cold and dry climate, when mammoths existed. It is of scientific interest as a living witness of past geological epochs and is a valuable resource for species occupying newly emerging habitats amidst global climate change.

Norilsk Division also includes habitats of plant communities with a high level of diversity, specifically, larch forests and/or species with a limited distribution area as well as critically endangered and/or unique ecosystems.

These reserves can be viewed as critical habitats requiring continuous monitoring. Nornickel will pay particular attention to areas falling within the proposed footprint of the former smelting shop which was decommissioned by 2022.

Trans-Baikal Division

As far as Trans-Baikal Division is concerned, the research area did not exceed 1% of the protected species’ (birds and plants) habitats in the Trans-Baikal Territory. Under IFC Performance Standard 6 dated 1 January 2012, the area of Trans-Baikal Division facilities’ operations cannot be classified as critical habitat for any of the protected bird species identified. Based on observations made during the warm season of 2022, it was not possible to identify key biotopes.

Kola Division

There are two state nature reserves whose territories and buffer zones are partly located within the identified areas of medium and low impact of Kola Division: Pasvik and Lapland nature reserves. They are home to endemic species and/or species with a limited distribution area as well as critically endangered and/or unique ecosystems.

These reserves can be viewed as critical habitats requiring continuous monitoring. Nornickel will pay particular attention to areas falling within the proposed footprint of the former smelting shop which was decommissioned by 2022.

Biodiversity conservation efforts

Nornickel is developing initiatives to reduce the pressure on ecosystems taking into account the mitigation hierarchy, i.e., the avoid – reduce – restore – compensate principle. These initiatives seek to:

- avoid direct and indirect negative impacts on ecosystems (e.g., closure of Nickel Plant);
- reduce and minimise direct and indirect negative impacts on ecosystems (e.g., the Sulphur Programme, construction of local wastewater treatment plants, bigger share of water recycling ecosystems);
- restore ecosystems (e.g., disturbed land rehabilitation);
- compensate (e.g., restore fish populations by releasing fish fry).

Nornickel’s Environmental and Climate Change Strategy groups the above measures in categories depending on negatively impacted natural environments targeted.

Cooperation with the government on biodiversity conservation

In 2022, Nornickel entered into two agreements with the Russian Ministry of Natural Resources and Environment as part of the federal Biodiversity Conservation and Ecotourism Development project.

The first agreement is to protect the population of an endangered bird species of the Falconidae family, the gyrfalcon1. The project is expected to be implemented in 2023.

The second one is for the conservation and restoration of the polar bear population2.

As part of the project to cooperate with the Umka 2022 expedition of the Russian Geographical Society and the Russian Navy Headquarters, a drone survey of polar bears on Wrangel Island was conducted in August and September 2022. The survey also focused on polar bears’ food sources, namely walruses, whales, seals, bearded seals, as well as muskoxen and semi-aquatic birds. Data was collected on animal deaths.

In addition to recording the number of polar bears on Wrangel Island, the survey helped clarify their distribution on the island and assess the state of the polar bear and their habitats. 67 samples (sea and river water, snow, soil and biota, including samples of liver, wool and feathers of dead animals and birds) were taken for further analysis to determine heavy metal and persistent organic contaminants.

1 Over the past 20 years, the gyrfalcon population in Russia has fallen by almost three times due to poaching. Now it is estimated at 3,500–5,000 breeding pairs.
2 Polar bear is one of the 13 wildlife species included in the list of rare and endangered animal species that require priority recovery measures.

2022 surveys show that the population of polar bears is currently estimated at 1,910.
Cooperation with specially protected natural areas and tourism development

Cooperation with nature reserves represents one of the ways for Nornickel to help conserve and restore biodiversity. Our cooperation with nature reserves primarily focuses on developing research and technology and supporting their social, volunteering and environmental awareness programmes.

Following a special request, in 2014–2022 Nornickel provided RUB 9.8 mln to the Joint Directorate of Taimyr Nature Reserves to update infrastructure involved in the directorate’s core activities. Among other things, the funds were used to:

- acquire construction materials;
- buy equipment: a boat, boat motors, and satellite communication sets;
- finance a flight to deliver a prefabricated mountain home to the Kureyka River area;
- carry out facility repairs;
- hold anniversary events.

The Joint Directorate of Taimyr Nature Reserves is an active participant of the Company’s Socially Responsible Initiatives Competition. Between 2013 and 2020, it won eight grants totalling RUB 26.5 mln. The funds were used to implement socially significant projects.

2022 saw the creation of a roadmap for implementing Nornickel’s Environmental and Climate Change Strategy, which includes fostering systemic work and partnerships with the Joint Directorate of Taimyr Nature Reserves related to biodiversity monitoring and conservation, development of nature reserves, support for research work, and environmental education. To this end, the Company donated RUB 20 mln to the Joint Directorate of Taimyr Nature Reserves. The research will be carried out by the Directorate in 2023. In 2022, the allocated funds were used for preparatory work and procurement of research equipment.


<table>
<thead>
<tr>
<th>Indicator</th>
<th>Pasvik</th>
<th>Lapland</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the IUCN Red List</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>On Russia’s Red Data Book</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>On the Murmansk Region’s Red Data Book</td>
<td>117</td>
<td>163</td>
</tr>
</tbody>
</table>

1 The nature reserves are located in a relative proximity to the Kola MMC operations.
## Social

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Engagement</td>
<td>99</td>
</tr>
<tr>
<td>Respect for human rights</td>
<td>104</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>112</td>
</tr>
<tr>
<td>HR management and social partnership</td>
<td>129</td>
</tr>
<tr>
<td>Social policy</td>
<td>153</td>
</tr>
<tr>
<td>Corporate volunteering</td>
<td>164</td>
</tr>
<tr>
<td>Development of local communities</td>
<td>167</td>
</tr>
</tbody>
</table>
Stakeholder engagement

**Distribution of earnings**
- Analytical and rating agencies
- Regional government authorities

**Interaction mechanisms**
- Observation of stakeholders
- One-on-one communication, phone calls and emails
- Meetings, conferences, visits
- Press releases
- Training of highly skilled professionals

**2022 highlights**
- Nornickel Live, a Q&A session; spring corporate dialogues
- New corporate portal implemented; the Nika chatbot actively used

**Interests**
- Working with customers (processing customer complaints and grievances and responding to them, analysing consumption trends and perspectives)
- Environmental protection
- Promoting innovations and educational programmes
- Developing sports in regions
- Drafting social and economic development plans and investment programmes
- Improving business climate

**Federal authorities, control and supervision agencies**
- Capitalisation and liquidity growth
- Government policy and law enforcement
- Investment decisions
- Tax policies

**Non-profit organisations**
- Stakeholder engagement with non-profit organisations and companies
- Collaboration and partnership
- Support for domestic producers
- For more details, please see the Corporate Governance section

**Employees**
- Joint commissions, committees and working groups;
- Favourable and safe working conditions
- Wage levels and distribution of earnings

**General Meeting of Shareholders**
- Donations and contributions
- Financial reports
- General shareholders meeting

**Representatives of regional authorities**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Employees**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Local communities and civil society organisations across the Company’s footprint**
- Partnership with local and international leaders
- Social and economic projects

**Analytical and rating agencies**
- Impact of the Company’s operations on the market, industry, and society
- Transparency of information and timely disclosure of key facts

**Interaction mechanisms**
- Meetings, conferences, visits
- Website presentations and press releases
- Phone calls and emails
- Forums, conferences, fairs, and round table discussions

**Customers**
- Product quality
- Packaging and labelling
- Information support of transactions
- Delivery terms
- Sustainable growth of sales markets and registration of products in these markets
- The Company’s ESG activities

**Interaction mechanisms**
- Interpersonal meetings, conferences, exhibitions
- Annual customer satisfaction surveys
- Work with customers processing customer complaints and grievances and responding to them, analysing consumption trends and perspectives
- Work in regulations and ensure environmental safety

**Representatives of regional authorities**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Employees**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Local communities and civil society organisations across the Company’s footprint**
- Partnership with local and international leaders
- Social and economic projects

**Analytical and rating agencies**
- Impact of the Company’s operations on the market, industry, and society
- Transparency of information and timely disclosure of key facts

**Interaction mechanisms**
- Meetings, conferences, visits
- Website presentations and press releases
- Phone calls and emails
- Forums, conferences, fairs, and round table discussions

**Customers**
- Product quality
- Packaging and labelling
- Information support of transactions
- Delivery terms
- Sustainable growth of sales markets and registration of products in these markets
- The Company’s ESG activities

**Interaction mechanisms**
- Interpersonal meetings, conferences, exhibitions
- Annual customer satisfaction surveys
- Work with customers processing customer complaints and grievances and responding to them, analysing consumption trends and perspectives
- Work in regulations and ensure environmental safety

**Representatives of regional authorities**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Employees**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Local communities and civil society organisations across the Company’s footprint**
- Partnership with local and international leaders
- Social and economic projects

**Analytical and rating agencies**
- Impact of the Company’s operations on the market, industry, and society
- Transparency of information and timely disclosure of key facts

**Interaction mechanisms**
- Meetings, conferences, visits
- Website presentations and press releases
- Phone calls and emails
- Forums, conferences, fairs, and round table discussions

**Customers**
- Product quality
- Packaging and labelling
- Information support of transactions
- Delivery terms
- Sustainable growth of sales markets and registration of products in these markets
- The Company’s ESG activities

**Interaction mechanisms**
- Interpersonal meetings, conferences, exhibitions
- Annual customer satisfaction surveys
- Work with customers processing customer complaints and grievances and responding to them, analysing consumption trends and perspectives
- Work in regulations and ensure environmental safety

**Representatives of regional authorities**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Employees**
- Joint commissions, committees, and councils
- Joint efforts of the Company and local authorities
- Economic development projects

**Local communities and civil society organisations across the Company’s footprint**
- Partnership with local and international leaders
- Social and economic projects

Stakeholder map

**Effect of Nornickel operations on the stakeholder**

**Effect of the Nornickel’s operations on the stakeholders’ perceptions**


2. GRI 2–29

3. 600 investor calls and meetings held

4. For more details, please see the Sustainability Management section

5. For more details, please see the Tax Strategy and Development of Local Communities sections

6. For more details, please see the Corporate Governance section

7. For more details, please see the Environmental Management section

8. For more details, please see the Human Resources section

9. 1, MMC Norilsk Nickel’s Stakeholder Engagement Policy, MMC Norilsk Nickel’s Code of Ethics, the Nika chatbot actively used

10. For more details, please see the Tax Strategy and Development of Local Communities sections

11. For more details, please see the Supply Chain Responsibility section.

12. For more details, please see the Enviromental management and Development of Local Communities sections

13. For more details, please see the Corporate Governance section

14. For more details, please see the CSR Committee and the Board of Directors

15. For more details, please see the Environmental Management section

16. For more details, please see the Sustainability of Local Communities section
Dialogue with investors

In 2022, Nornickel continued to operate in a socially responsible manner, engaging with stakeholders to address their concerns and expectations.

The Company's Vice-Presidents held dialogue meetings with various stakeholders, including investors, analysts, and regulatory bodies. These meetings were conducted through conference calls, site visits, and investor conferences, providing investors with insights into the Company's performance and future strategies.

Nornickel maintained active dialogue with shareholders, analysts, and regulatory bodies, ensuring transparency and accountability. The Company's primary focus is on direct communication with investors, ensuring their satisfaction and fostering a positive relationship.

The Company has implemented a corporate governance system that includes an automated system for supplier relationship management, with a focus on ethical supply chain practices. All suppliers are checked for compliance with ethical standards, including labor and environmental laws, ensuring a transparent and ethical supply chain.

Environmental protection dialogue

Environmental protection is a key focus for Nornickel, with a commitment to sustainability and responsible resource management. The Company has been working closely with governmental and regulatory bodies to implement best practices and standards in environmental protection.

In 2022, Nornickel and Rosprirodnadzor participated in the 9th Ecological Forum themed "Ecology and Production. Challenges, Trends and Technologies", where the Company presented its efforts in environmental protection, natural resource use, including subsoil use, and the provision of advice on environmental activities, as well as economy of natural resource use.

The Company is actively involved in various initiatives related to environmental protection, natural resource use, including subsoil use, as well as economy of natural resource use. The efforts of its employees, local communities and government authorities.

In the reporting year, Nornickel has supported the "Let's Do It" annual environmental campaign. As of 2022, the Company supplied its products to all countries. In 2022, Nornickel carried out 50 corporate dialogue events and 100 meetings and calls with investors.

The Company's satisfaction level stood at 2.9 points out of 3.0, with a focus on continuous improvement and engagement.

Dialogue with local communities

Nornickel continues to be committed to the local communities affected by the Company's operations across its footprint. The Company takes into account the interests, opinions, and participation of the local communities in decision-making processes.

The Norilsk Development Agency, the Norilsk City Development Agency, and the Social and Labour Relations Office are involved in various activities, such as focus group sessions, open dialogue events, meetings, and call centers, as well as engaged in creating conditions for improving the quality of life, developing social institutions, and ensuring human capital growth in the regions where the Company operates.

Nornickel has gained over 15,000 views; an online chatbot; and over 60,000 people used NIKA (portal). The Company has more than 250,000 people using its network of representative and sales offices for social and labour relations.

The Company has the Corporate Trust Line standing at 2.85 points out of 3.0, with a focus on continuous improvement and engagement.

Dialogue with employees

Nornickel maintains active dialogue with employees, which is the backbone of efficient engagement, growth in employee satisfaction, and ethical practices.

In 2022, Nornickel continued to operate in a socially responsible manner, engaging with stakeholders to address their concerns and expectations.

The Company's Vice-Presidents held dialogue meetings with various stakeholders, including investors, analysts, and regulatory bodies. These meetings were conducted through conference calls, site visits, and investor conferences, providing investors with insights into the Company's performance and future strategies.

The Company has implemented a corporate governance system that includes an automated system for supplier relationship management, with a focus on ethical supply chain practices. All suppliers are checked for compliance with ethical standards, including labor and environmental laws, ensuring a transparent and ethical supply chain.

Environmental protection is a key focus for Nornickel, with a commitment to sustainability and responsible resource management. The Company has been working closely with governmental and regulatory bodies to implement best practices and standards in environmental protection.

In 2022, Nornickel and Rosprirodnadzor participated in the 9th Ecological Forum themed "Ecology and Production. Challenges, Trends and Technologies", where the Company presented its efforts in environmental protection, natural resource use, including subsoil use, and the provision of advice on environmental activities, as well as economy of natural resource use. The efforts of its employees, local communities and government authorities.

In the reporting year, Nornickel has supported the "Let's Do It" annual environmental campaign. As of 2022, the Company supplied its products to all countries. In 2022, Nornickel carried out 50 corporate dialogue events and 100 meetings and calls with investors.

The Company's satisfaction level stood at 2.9 points out of 3.0, with a focus on continuous improvement and engagement.

Dialogue with business partners

In 2022, the Company held over 100 meetings and calls with investors.

The Company's satisfaction level stood at 2.9 points out of 3.0, with a focus on continuous improvement and engagement.
Public and media relations

The key channels used to relay information to stakeholders and the public are the Company’s official website www.nornickel.com, on which updates for stakeholders and general public are published, video and audio conferences, briefings, conference calls, and stakeholder meetings and dialogues. Nornickel regularly expresses its position – its senior management provides commentary to media outlets and it publishes press releases.

The Company has an efficient media communications system. In 2022, Nornickel was the top Russian metals and mining company in terms of mentioning in the media. The significant share of its publications covers social policy (14-15%). ESG matters have also gained greater focus over the last two years – the number of times they were mentioned increased from 2% in 2020 to 10% in 2022. Other most covered topics include environment, digitalisation, production development.

Dialogue with authorities and non-profit organisations

The Company takes part in parliamentary sessions and round table discussions organised by the Federation Council and State Duma of the Federal Assembly of the Russian Federation, Government of the Russian Federation, Civic Chamber of the Russian Federation, Russian Union of Industrialists and Entrepreneurs, Chamber of Commerce and Industry of the Russian Federation, Association of Managers (an interregional public organisation), etc.

The Company’s experts engage in debates on draft regulations organised by community councils of the federal executive bodies, anti-corruption due diligence, and regulatory impact assessments. All of that helps maintain a constructive dialogue with the government, cut administrative red tape and improve business climate in our country. Our representatives are also part of various working groups created by federal executive authorities to help implement the regulatory guillotine mechanism.

Dialogue in public non-financial reporting

The number of stakeholders surveyed as part of the efforts to define priority topics for the Sustainability Report in 2018–2022 is shown in the chart below.

<table>
<thead>
<tr>
<th>Year</th>
<th>External stakeholders</th>
<th>Internal stakeholders</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>86</td>
<td>37</td>
<td>123</td>
</tr>
<tr>
<td>2021</td>
<td>53</td>
<td>37</td>
<td>90</td>
</tr>
<tr>
<td>2020</td>
<td>27</td>
<td>63</td>
<td>90</td>
</tr>
<tr>
<td>2019</td>
<td>26</td>
<td>65</td>
<td>91</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
<td>65</td>
<td>85</td>
</tr>
</tbody>
</table>

Approach to respect for human rights

Recognition, respect and observance of human rights is a basic principle that underlies Nornickel’s operations and is embedded in its corporate values, Human Rights Policy, and other Company’s by-laws.

The Company does not tolerate any forms of discrimination and does not use forced or child labour, giving every employee an equal opportunity to exercise their labour rights regardless of gender, race, nationality, origin, financial, social, and occupational status, age, domicile, religion, political beliefs, and other circumstances not related to professional qualities. No operations are run in, and no raw materials are procured from, areas involved in military conflicts.

Nornickel adheres to internationally recognised human rights norms and practices, including the core UN declarations, ILO conventions, industry initiatives and practical recommendations. Russia ratified most core ILO conventions. Nornickel is required by law to abide by requirements established therein. Human rights are addressed in the Company’s key by-laws.

The responsibility for human rights protection lays with the Company’s senior management. The Board of Directors and its Committees consider key matters such as health and safety at their meetings.

Nornickel’s by-laws are available on the Company’s official website. Russia ratified most core ILO conventions. The distribution of responsibilities is shown on slide 10 of the publicly available presentation titled “Protecting and respecting human rights at Nornickel”.

1 External stakeholders are representatives of regional and local authorities, communities, and non-profit organisations, while internal stakeholders refer to managers and employees of various levels from the Head Office, Polar Division, and Kola MMC.

2 Nornickel’s by-laws are available on the Company’s official website.
## External human rights regulations and standards applied by Nornickel

### Generally accepted international declarations and guidelines
- UN Universal Declaration of Human Rights
- International Labour Organization's declarations on fundamental rights and principles at work
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights

### Russian legislation
- Constitution of the Russian Federation
- Federal Law No. 82-FZ On the Minimum Wage dated 19 June 2000,
- Federal Law No. 82-FZ On Safeguarding the Rights of Indigenous Minorities of the Russian Federation dated 30 April 1999, and other federal laws

## Practical recommendations

<table>
<thead>
<tr>
<th>Guide for Integrating Human Rights into Business Management (UN Global Compact)</th>
<th>Global Reporting Initiative, uniform reporting standards and recommendations</th>
<th>Voluntary Principles on Security and Human Rights (VPSHR)</th>
</tr>
</thead>
</table>

## International and Russian initiatives

<table>
<thead>
<tr>
<th>UN Global Compact</th>
<th>Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy</th>
<th>UN Guiding Principles on Business and Human Rights (UNGP)</th>
</tr>
</thead>
</table>

## Industry-specific initiatives

<table>
<thead>
<tr>
<th>IRMA Standard for Responsible Mining (2018)</th>
<th>ICMM Mining Principles</th>
<th>Responsible Minerals Initiative (RMI)</th>
</tr>
</thead>
</table>
Protecting human rights at Nornickel. Regulations, approaches and key results

Right to life, freedom, and privacy, personal immunity, freedom of movement

Nornickel’s by-laws

Approaches and key achievements in 2022
• In 2022, Nornickel had no reported cases of forced labour, gender, political, social or other discrimination.

For more details, please see the HR Management and Social Partnership section

Right to freedom of association and collective bargaining

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company does not tolerate discrimination on any grounds;

For more details, please see the HR Management and Social Partnership section

Right to work, fair and adequate remuneration, favourable working conditions, and social security

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company respects the rights of Indigenous peoples and seeks to improve their living standards. As part of interactions with the Indigenous minorities, Nornickel abides by a number of agreements. In 2022, the Company allocated RUB 4.2 bn to finance assistance projects.

For more details, please see the Development of Local Communities section

A requirement for counterparties to respect human rights as part of the supply chain responsibility commitments

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company introduced a Supply Chain Due Diligence Management System to identify and mitigate a variety of risks, including the risk of violating human rights and freedoms;
• The Company underlines its commitment to a zero tolerance approach to the violations of human rights across the supply chain.

For more details, please see the Respect for human rights and Supply Chain Responsibility sections

Right to education

Nornickel’s by-laws

Approaches and key achievements in 2022
• In 2022, the average annual number of training hours per employee (based on average headcount) was 85, with the Company spending an average of RUB 21,113 per employee.

For more details, please see the HR Management and Social Partnership section

Right to shelter, right to own property

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company does not implement or plan to implement any business projects related to alienation of land and forced relocation;
• In 2022, the Company completed the first stage of implementing the air quality monitoring and forecasting system in Norilsk and Monchegorsk.

For more details, please see the Environmental Management section

Rights of local and indigenous communities

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company has a wide-range of programmes to improve the living standards of local communities (for example, the World of Rare Opportunities programme as part of the Plant of Goodness project with 1,500 volunteers and 370 events);
• The Company respects the rights of Indigenous peoples and seeks to improve their living standards. As part of interactions with the Indigenous minorities, Nornickel abides by a number of agreements. In 2022, the Company allocated RUB 4.2 bn to finance assistance projects.

For more details, please see the Development of Local Communities section

Protection of family, matrimony and childhood

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company respects and protects the rights of mothers and pregnant women;
• The Company provides all the necessary conditions for an employee to return to work from a maternity and /or childcare leave (in 2022, 592 employees returned to work after such leaves);

For more details, please see the HR Management and Social Partnership section

Right to a healthy environment

Nornickel’s by-laws

Approaches and key achievements in 2022
• The Company continuously works to reduce its environmental footprint and implements a comprehensive environmental policy;

For more details, please see the Environmental Management section

As a result of Nornickel’s Suburban Programme, 32 emissions in Kola Division have gone down by 85% since 2015. The Company is now actively implementing the Programme in Norilsk Division;
• In 2022, the Company completed the first stage of implementing the air quality monitoring and forecasting system in Norilsk and Monchegorsk.
Human rights due diligence

To identify and assess any risks associated with direct or indirect human rights violations as a result of the Company’s business operations and to take steps to prevent and/or minimise such risks, Nornickel applies the human rights due diligence procedure based on the UN Guiding Principles on Business and Human Rights (UNGPs).

In 2022, the Company created a target model for this procedure to be implemented in five stages. Engagement with stakeholders and training are integrated into all stages.

Nornickel's human rights due diligence target model

1. Commitment to protection of human rights
2. Identification and assessment of human rights risks and impacts
3. Management of human rights risks and impacts
4. Monitoring and control
5. Information transparency

As at the end of 2022, the following activities were implemented:
- Stage I activities were implemented in full: Commitment to human rights;
- Stage II activities were implemented to a significant extent: Identification and assessment of human rights risks and impacts;
- Activities of the following stages were implemented in part: Human rights risks and impact management, Monitoring and control, Information transparency.

The due diligence system rollout is scheduled to be completed in late 2024.

Human rights impact assessments

In 2022, Nornickel held a preliminary human rights impact assessment. An outline assessment of business and human rights risks in the Company’s main jurisdictions was undertaken at the head office and division levels and involved interviews with employees and reviews of by-laws conducted by an independent expert organisation.

Stage Activities

1. Policy assessment
   - a comprehensive review of the architecture of Nornickel’s policies and documents in sustainable development;
   - preliminary risk assessment;
   - analysis of legal and political landscapes in terms of human rights in key markets and operating environments;
   - analysis of deficiencies and opportunities for improvement by way of revising the documents to integrate human rights as an element of Nornickel’s corporate culture;

2. Risk assessment
   - an in-depth analysis of the risks and impacts prioritised at stage I (analysis of specific human rights risk areas and relevant prevention and control measures);
   - development of updates to the human rights risk identification and assessment methodology, a human rights due diligence procedure as adapted to Nornickel’s needs, regulations and guidelines for future consideration within the Company and with stakeholders;

3. Impact assessment at the level of production units
   - risk assessment and analysis at the division and production unit levels, preparation of a final report and presentation;
   - development of recommendations on managing risks related to human rights;
   - detailed discussion with stakeholders of all prioritised human rights risks and impacts from the Company.

It was concluded that the Company as a whole and broken down by divisions and production units had low human rights impact on its key stakeholders and low exposure to business and human rights risks in Russia.

This report highlights some of the most important human rights initiatives and their outcomes in 2022.

For more details on the progress of the human rights due diligence system and human rights impact assessment, please see Nornickel’s 2022 Human Rights Report.

Procedure to report human rights violations

Nornickel’s Corporate Trust Line is the first port of call for reporting human rights violations. In addition, the Company conducts regular personnel surveys and local community sentiment research. The Company guarantees anonymity and confidentiality for whistle-blowers and respondents. All employees are kept thoroughly informed of this service through information displays and stands, payslips, corporate calendars and brochures. A brief description of the Corporate Trust Line is available on the Company’s website.

In 2022, we held discussions with stakeholders on options for updating the corporate grievance mechanism. As a result, we received recommendations on how to optimise the mechanism. As at the end of 2022, the Company revised the relevant regulations and improved the grievance mechanism.

For more details, please see the Corporate Trust Line and Grievance Mechanism subsections.
Human rights training

In 2022, the Company proceeded with its previously established plans to deliver basic training on human rights to the employees of the relevant units of the Head Office and companies/units of its divisions. Some of the topics addressed include the importance of respect for and protection of human rights in the modern world, human rights in the metals and mining industry, the risk assessment system, challenges and commitments of the Company in the area of human rights, priorities to promote respect for human rights in the Company's corporate culture, basic knowledge of and skills for human rights risk assessment, etc. Nornickel also organised a standalone seminar for HR teams and relevant training for the Corporate Security employees to ensure compliance with the Voluntary Principles on Security and Human Rights (VPSHR).

The Company's human rights programmes were attended by more than 150 employees of the Group. The average duration of a training session was 1.5 hours.

Women in Mining Russia

Nornickel is a key partner of Women in Mining Russia (WIM Russia), a non-profit organisation that aims to promote professional development of women, raise awareness about engineering jobs, and develop a platform for professional communications. The organisation was named the Best Gender Equality Project at the Woman Who Matters award. 2022 was the second time WIM Russia held its Talented Woman in the Extractive Industry award ceremony in Moscow. The award received 388 entries, which is 64% more than in 2021. It brought together women from 40 Russian and CIS companies, with 20 coming out winners. Nornickel's employees received four out of ten nominations:

- Ambassador of the Year: Alexandra Nikolaeva (Dudar), manager, Management System Development Group, Darya Ermakova, chief expert, Sustainable Development Department (Kola MMC);
- Personal Achievement of the Year: Maria Korovina, dispatcher, Concentrator (Nornickel’s Kola MMC), Zukhra Meshalkina, advisor to technical director (GRK Bystrinskoye);
- Breakthrough of the Year: Nadezhda Platonova, HSE director (GRK Bystrinskoye);
- Social Project of the Year: Anfisa Nikiforova, head of relations with indigenous minorities of the North, Nornickel’s Polar Division.

15 women earned a Jury’s Choice award. There were also Nornickel’s employees among them:

- Larisa Bogdanova, grade 4 control console operator, GRK Bystrinskoye (Golden Idea of the Year);
- Olga Bondareva, head of procurement, Nornickel’s Polar Division (Personal Achievement of the Year);
- Darya Shmakova, chief expert, gas treatment and recycling engineering support laboratory, Nornickel’s Polar Division (Leader of the Future);
- Maria Kalashnikova, head of hydrometallurgy laboratory, Gipronickel Institute (Inspiring Leader);
- Elena Pastushenko, expert in electrolysis of water solutions, Kola MMC (Golden Idea of the Year).

At Nornickel, we give priority to the life and health of employees over operational performance both when making management decisions and throughout the entire production. Nornickel’s Occupational Health and Safety Policy outlines the Company’s commitment to creating a safe and healthy environment and fostering sustainable employee motivation for safe workplace behaviour.

Main occupational health and safety goals:

01  Zero catastrophic occupational accidents: prevent accidents at the Company’s facilities that may have negative impact on people from across the Company’s regions and the Company’s production results.

02  No work-related fatalities: zero tolerance to any work-related fatalities.

03  Safe working conditions and mitigation of mining and processing risks.
Health and safety management

Occupational health and safety (OHS) at Nornickel covers all the Company’s employees. It is governed by the Russian laws, international regulations and standards, and internal policies and regulations.

OHS regulations:

- Applicable Russian laws aligned with international laws, including conventions of the International Labour Organisation
- Occupational Health and Safety Strategy
- Occupational Health and Safety Policy
- Corporate OHS standards (14 in total)
- Regulations on the Health and Safety Management System
- Regulations on the Industrial Safety Management System
- OHS sections in collective bargaining agreements for the Group’s Russian operations
- Regulations and guidelines for all production processes
- Project implementation plans and specifications for repair, construction and installation works
- Health and safety guidelines for specific jobs and types of work at all Company’s facilities

Occupational health and safety responsibilities are allocated among Nornickel’s various governing bodies and business units in line with their terms of reference.

Board of Directors
- Determines the Company’s OHS strategy
- Monitors the Company’s OHS performance

Senior Vice President, Operational Director, Chairman of the HSE Committee
- Improves the efficiency of OHS organisation and prevention initiatives
- Strengthens manager and expert responsibility for creating a healthy and safe working environment
- Assesses the efficiency of OHS initiatives
- Improves the OHS management system

Vice President, Ecology and Industrial Safety
- Organises and coordinates OHS activities
- Submits reports to the Board of Directors

HSE Department
- Develops accident and injury prevention initiatives and oversees their implementation
- Develops OHS initiatives and monitors compliance with the applicable legislation
In 2022, the second surveillance audit was conducted at Nornickel’s divisions. The audit results confirm that the Company’s existing health and safety management system conforms to ISO 45001:2018 Occupational Health and Safety Management System international standard.

**Occupational health and safety certification**

MMC Norilsk Nickel (Head Office, Polar Division, Polar Transport Division, Murmansk Transport Division) ISO 45001:2018
Kola MMC ISO 45001:2018
Pechengastroy LLC ISO 45001:2018
Norilsk Nickel Harjavalta ISO 45001:2018

Following the audits, Bureau Veritas Certification, the certification body, described the OHS management system as mature and well-established and found that the corporate systems of Nornickel’s audited companies met the requirements of the standard.

**Contractor safety management**

In 2022, the Company revised the general terms regarding health and safety that are included in agreements with contractors. The current amendments focus on avoiding fatalities and non-compliance with the cardinal occupational safety rules and encourage contractors to be proactive on health and safety. This approach is better aligned with the Company’s goals.

In the domestic market, Nornickel procures production and technical supplies under Master Agreements. As part of centralised procurement, a standalone agreement is signed with each contractor stating that the contractor recognises and commits to generally accepted principles in human rights (which include health and safety) and labour relations, as stipulated by international regulations and in particular the UN Global Compact.

In 2022, the Company revised the general terms regarding health and safety that are included in agreements with contractors. The current amendments focus on avoiding fatalities and non-compliance with the cardinal occupational safety rules and encourage contractors to be proactive on health and safety. This approach is better aligned with the Company’s goals.

In 2022, the second surveillance audit was conducted at Nornickel’s divisions. The audit results confirm that the Company’s existing health and safety management system conforms to ISO 45001:2018 Occupational Health and Safety Management System international standard.

Following the audits, Bureau Veritas Certification, the certification body, described the OHS management system as mature and well-established and found that the corporate systems of Nornickel’s audited companies met the requirements of the standard.

**Key workplace injury indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Change in 2022 y-o-y, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIFR</td>
<td>0.05</td>
<td>0.08</td>
<td>0.08</td>
<td>0.10</td>
<td>0.03</td>
<td>-66</td>
</tr>
<tr>
<td>LTIFR</td>
<td>0.23</td>
<td>0.32</td>
<td>0.20</td>
<td>0.38</td>
<td>0.57</td>
<td>+49</td>
</tr>
<tr>
<td>Total workplace injuries</td>
<td>32</td>
<td>44</td>
<td>31</td>
<td>53</td>
<td>70</td>
<td>+32</td>
</tr>
<tr>
<td>Fatal workplace injuries</td>
<td>6</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>4</td>
<td>-64</td>
</tr>
<tr>
<td>Minor injuries</td>
<td>1,043</td>
<td>1,000</td>
<td>788</td>
<td>314</td>
<td>187</td>
<td>-40</td>
</tr>
<tr>
<td>Occupational diseases</td>
<td>318</td>
<td>290</td>
<td>235</td>
<td>213</td>
<td>174</td>
<td>-18</td>
</tr>
</tbody>
</table>
In 2022, the Group had 66 lost time injuries, with a lost time injury frequency rate (LTIFR) standing at 0.37. The most frequent reason for injuries was falling from heights. Nornickel’s indicators in this area are in line with the average for the global mining industry. In 2022, we recorded the lowest number of work-related fatalities. The Group reported four fatalities – this is seven cases fewer than in 2021. Two deaths were caused by rock falling in Kola and Norilsk Divisions, one man died as a result of falling from height, and one drift miner died in a mine accident when driving an electric locomotive.

All circumstances of the fatal accidents were thoroughly investigated and reported on to the Board of Directors.

In 2022, we recorded the lowest number of work-related fatalities. The Group reported four fatalities – this is seven cases fewer than in 2021. Two deaths were caused by rock falling in Kola and Norilsk Divisions, one man died as a result of falling from height, and one drift miner died in a mine accident when driving an electric locomotive.

All circumstances of the fatal accidents were thoroughly investigated and reported on to the Board of Directors.

Based on the results of investigations into the accidents involving rock falling in Kola and Norilsk Divisions, the Company developed and implemented technical measures to mechanise underground workings development, purchased a drilling rig for tunneling (air core drilling) and mechanical posts for temporary supports and took a number of organisational measures to fulfill the requirements of mine surveyors. To address the causes of falling from heights on work sites, a panel of workers was tasked to carry out an inspection to check the technical condition of overhead cranes, emergency evacuation routes and the available safety equipment. In 2022, the Company commenced the upgrade of overhead cranes to enable safe emergency evacuation of crane operators. These efforts will continue into 2023.

Following the investigation into the accident with a drift miner who was driving an electric locomotive in Kaula-Kotselvaara mine (part of Severny Mine), Nornickel arranged transportation of workers to workplaces, introduced control over unauthorised driving of electric locomotives and revised the mine railway infrastructure programme. Nornickel expresses its deepest condolences to the families and friends of the victims and reiterates its commitment to making zero workplace fatalities a key strategic priority. The Company will continue with implementing its programmes to prevent workplace accidents.

As part of our strategic goal to reduce the occupational injury rate, the Company seeks to continuously improve the elements of its occupational health and safety framework. The changes cover all Operating Unit businesses and all production stages – from mining ore to making metals.

In 2022, we revised our cardinal safety rules, OHS incentive programme and employee awareness raising initiatives. From 2023, employees will be paid incentive compensation for identifying risks at their workplaces.

In the reporting year, Norilsk Concentrator (owned by Medvezhy Ruchey LLC) launched a safety culture transformation project underpinned by a risk-based approach. As part of the project, it carried out: an audit of its safety culture and relevant processes; a strategic session to define key systematic measures; training at pilot workshops; work to improve its risk identification and assessment system.

The project helped identify 462 risks, out of which 101 were addressed, with 222 risks identified and reported by mining workers. The project will continue into 2023.

Anyone who identifies a life- and health-threatening risk must report it to the relevant senior manager to address it. If it is impossible to minimise the risk and continue to work safely, the exposed worker has the right to refuse to work. If their health and safety is at risk. The procedure for refusing to work is established by the standard “OHS Management System. Hazard Identification, Assessment and Management of Occupational Health and Safety Risks at PJSC MMC Norilsk Nickel”. An employee who refuses to work is required to fill in a checklist and hand it over to their direct supervisor of, if the latter is temporarily unavailable, the relevant senior manager. To confirm acceptance, the supervisor or manager (as the case may be) must fill it in, sign and return the tear-off part of the checklist to the worker and give him/her a new checklist. The refusal to work under life- and health-threatening conditions may not constitute grounds for imposing any sanctions on the worker.

In 2022, we continued our work to improve the Control, Management and Security Automated System (CMS AS) and integrate it into broader IT architecture:

- more than five new algorithms implemented to enable notification of responsible persons via corporate email;
- integration between related systems (SAP ERP, SAP BW) and NIKA chatbot compiled;
- The unified indicator framework for the corporate sustainability reporting, which is part of the Corporate Data Storage (CDS), successfully embedded to enable online annual report generation using the unified indicator framework for the corporate sustainability reporting with respect to the Group’s injuries data.

In 2022, we continued our work to improve the Control, Management and Security Automated System (CMS AS) and integrate it into broader IT architecture:
OHS control and prevention

To avoid workplace injuries, Nornickel regularly implements control and prevention activities.

**Key prevention and control activities**

- OHS monitoring system at each facility, including multi-phase production site control and ad hoc, targeted and comprehensive OHS inspections
- Compliance and certification audits as part of ISO 45001:2018 management system
- Internal OHS management audits
- Second-party OHS management audits (cross-company audits of the Group companies involving the OHS heads and experts from other Group companies)

### Provision of Personal Protective Equipment

Due to the nature of its business, building an efficient operational health and safety system at Nornickel comes with the need to implement a range of organisational safety measures along with providing PPE to its employees exposed to hazardous and harmful workplace factors. Workplaces exposed to hazardous and harmful factors include underground work, operation and maintenance of mining equipment and heavy self-propelled vehicles, extreme climate, etc.

In 2022, the Company purchased personal protective equipment worth more than RUB 4.6 bn.

### Special assessment of working conditions

In 2022, a special assessment of working conditions covered more than 10,000 workplaces and over 15,000 employees, which amounted to approximately RUB 20.5 mn in expenses for the Group’s operations.

A special assessment of working conditions helps identify hazardous production factors. Whenever these are identified, the Company furnishes employees with free personal protective equipment (PPE), including respiratory protection (respirators, gas masks), hearing protection (earmuffs, earplugs), eye protection (glasses/goggles with UV filters, visors), skin protection (gloves, protective and regenerative creams, protective outerwear).

### Health and safety expenses (RUB bn) and Health and safety expenses per employee (RUB '000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Health and safety expenses (RUB bn)</th>
<th>Health and safety expenses per employee (RUB '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>218</td>
<td>177</td>
</tr>
<tr>
<td>2021</td>
<td>136</td>
<td>136</td>
</tr>
<tr>
<td>2020</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>2019</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>2018</td>
<td>10.6</td>
<td>10.6</td>
</tr>
</tbody>
</table>

In 2022, health and safety expenses increased by 70% y-o-y to RUB 21.6 bn. The increase is due to the development and implementation of additional measures to improve labour conditions, growing headcount and higher costs of personal protective equipment (PPE).
Engagement of employees in safety management

To increase the efficiency of our efforts and promote safety culture, we encourage our employees to get involved in operational health and safety management. Most of the Group companies have in place joint health and safety committees (councils) made up of the management, employees and trade union representatives. The Group companies that have joint committees with trade union bodies employ over 77,000 people (around 97% of the Group’s average headcount).

The Head Office does not have a joint committee as there is no trade union in place, but representatives of the Norilsk trade union take part in HSE Committee meetings. Norilsk Nickel Corporate University (an educational institution not involved in production) does not have committees. Contractors are invited to joint committee meetings that deal with matters related to contractor employees.

In 2022, as has become custom at Nornickel, we held individual and team OHS competitions. Team competitions were held across seven groups of Nornickel’s production facilities.

Results of individual competitions were announced with the following awards granted:
- Best Health and Safety Head;
- Best Health and Safety Line Manager;
- Best Health and Safety Specialist;
- Best Health and Safety Compliant Worker.

The Company also runs an ongoing Safe Work communication programme.

Authorised representatives of trade unions and staff in occupational health and safety were elected to participate in preventive activities across the Group’s production units. In the reporting year, 712 representatives of trade unions and staff in occupational health and safety participated in preventive activities.

In 2022, they took part in over 11,500 audits and submitted almost 2,600 health and safety improvement proposals.

Health and safety topics covered in formal agreements with trade unions

SASB EM-MM-310a.1

A majority of production companies of the Group have collective bargaining agreements signed with employee representatives (including trade union organisations). The agreements contain occupational health and safety provisions.

They cover more than 77,000 employees of the Group (approximately 94.4% of the Group’s average headcount).
To improve occupational safety, we implement OHS upskilling initiatives. These include regular briefings on and training courses in occupational health for its employees. We introduced dedicated software modules for specific mining jobs in order to provide health and safety briefings.

In 2022, Nornickel launched a project to create a workplace safety culture coaching system. The project is rolled out at 18 companies employing 42 safety culture coaches. There are two training programmes currently on offer: Dynamic Risk Assessment for mining workers and Behaviour-Based Safety Audit for line managers. The coaches deliver in-person interactive workshops, which are followed by on-the-job training within the real work environment such as a mine or shop. In 2022, more than 5,000 employees completed the Dynamic Risk Assessment programme, which was held 717 times, and 238 employees completed the Behaviour-Based Safety Audit programme, which was held 33 times.

Heath of its employees is a priority at Nornickel. The Company implements regular measures to prevent occupational diseases. Regular health monitoring of personnel is key to preventing occupational diseases. Employees undergo compulsory pre-employment, regular and ad hoc medical examinations and check-ups. Those who are involved in hazardous production are subject to additional examinations held at least once in five years by occupational pathology centres or other organisations authorised to conduct pre-employment and regular check-ups. Those serve to assess occupational health fitness and determine if the disease is job-related.

The Company provides employees working in hazardous conditions with foods, milk, and other equivalent food products for therapeutic purposes in compliance with the applicable laws and corporate policies. In addition, medical aid posts are in place to perform pre-shift and pre-trip check-ups and provide medical assistance to employees upon request.

In 2022, the Company completed the first stage of the programme to upgrade its healthcare facilities and medical examination rooms for pre-trip and pre-shift check-ups. The first refurbished facilities with state-of-the-art equipment, medications, and expendables opened in Nornickel’s Polar Division. Primary care is provided by the Workshop Healthcare Service. General Practitioners (GPs) at Polar Division’s medical aid posts are responsible for helping those with urgent medical problems and delivering preventive health care to the Company’s employees. The service has started work to conduct staff health monitoring linked to job duties and analyse occupational disease factors and ways of mitigating them. The Company plans to open similar facilities at its other divisions in 2023.

In 2022, OHS pre-certification briefing, basic training and certification covered more than 52,000 employees of the Group.

In 2022, the Group’s OHS training expenses amounted to over RUB 203 mln.

In 2022, the Group’s costs related to medical examinations amounted to RUB 471 mln.

In 2022, the Group’s costs related to maintenance of medical aid posts amounted to RUB 276 mln.

In 2022, the Group’s costs related to maintenance of medical aid posts amounted to RUB 276 mln.
Nornickel’s corporate healthcare infrastructure

To provide our employees and their families with specialist medical services and highly qualified professionals, we are implementing a project to develop corporate healthcare across the Company’s footprint.

The Company is running projects to establish healthcare centres across its regions of operation to serve all local residents under the compulsory health insurance programme. In 2022, Nornickel completed repair and upgrade of new medical facilities – an MRI centre in Monchegorsk (serving local residents under the compulsory health insurance programme) and a corporate medical centre in Dudinka. The centres will open to their first patients in 2023.

In 2021, the Company opened its first corporate healthcare centre under the Z-Clinic brand in Norilsk, which has the most advanced equipment and highly professional medical staff. It provides medical help based on voluntary healthcare insurance (VHI) programme. Today, the centre offers a choice of 246 healthcare services in 12 primary care areas. Over the first year of its operation, it has delivered approximately 70,000 medical services. The waiting times for many specialists vary from seven days to one month, which confirms the high level of demand for healthcare services in the region.

Operating healthcare centre at Norilsk Division

Healthcare centres at Norilsk Division – plans

In 2022, we continued to expand our network by including new centres to increase healthcare capacities in the region without replacing existing ones. The Company is getting ready to open two more corporate healthcare centres – in Norilsk’s Talnakh District and Monchegorsk. It also keeps on track its programme to develop small-scale healthcare departments in remote locations.

Kola Division

Healthcare centres at Kola Division – plans

Norisk Division

In 2021, the Company opened its first corporate healthcare centre under the Z-Clinic brand in Norilsk, which has the most advanced equipment and highly professional medical staff. It provides medical help based on voluntary healthcare insurance (VHI) programme. Today, the centre offers a choice of 246 healthcare services in 12 primary care areas. Over the first year of its operation, it has delivered approximately 70,000 medical services. The waiting times for many specialists vary from seven days to one month, which confirms the high level of demand for healthcare services in the region.
Digital Medicine

Nornickel has an ecosystem of Digital Medicine services. Employees can use a mobile app for viewing their medical records, booking a medical appointment and finding all the necessary information about healthcare centres. The most popular services were added to the Nika corporate assistant and integrated into Nornickel’s superapp. The medical information system has been launched in 2022 in Norilsk and in 2021 in Zapolyarye Health Resort.

Nornickel has also been active in promoting healthy lifestyle programmes. It is planning to launch several services to provide access to employees from all regions to relevant expert advice on healthy lifestyle and disease prevention.

Emergency preparedness system at hazardous production facilities

The Group companies put in place surveillance, warning, communication and support systems in case of emergency. The underlying document for emergency containment and response plans at hazardous production facilities (hazard classes 1, 2, 3) is the Regulations on Containment and Elimination of Accident Consequences at Hazardous Production Facilities approved by Resolution No. 1437 of the Russian Government dated 15 September 2020.

The plans are reviewed and approved in a timely manner, their effective periods being:

- For underground mining facilities: 6 months
- For open-pit mining facilities: 1 year
- For hazard classes 1, 2 and 3 facilities: 5 years

The Group is responsible for approving action plans of professional emergency rescue services and units engaged for emergency containment and response.

Emergency preparedness at hazardous production facilities

The Group companies put in place surveillance, warning, communication and support systems in case of emergency. The underlying document for emergency containment and response plans at hazardous production facilities, Polar Division signed contracts with a professional emergency rescue unit for mine rescue services and the maintenance of auxiliary rescue teams’ equipment. Auxiliary mine rescue teams were set up at Polar Division and Kola MMC hazardous production facilities (hazard classes 1 and 2) engaged in underground mining operations. Polar Division, Medvezhy Ruchey, Norilsk Production Support Complex, GGR Bystrinskoe, and Kola MMC hazardous production facilities put in place surveillance, warning, communication, and support systems to rely on in case of emergencies. Mines are equipped with radio and positioning systems for employees, and telemetry system for underground machinery to track their locations. Hazard class 1 and 2 facilities operate local warning systems.

Digital Medicine

Nornickel has an ecosystem of Digital Medicine services. Employees can use a mobile app for viewing their medical records, booking a medical appointment and finding all the necessary information about healthcare centres. The most popular services were added to the Nika corporate assistant and integrated into Nornickel’s superapp. The medical information system has been launched in 2022 in Norilsk and in 2021 in Zapolyarye Health Resort.

Nornickel has also been active in promoting healthy lifestyle programmes. It is planning to launch several services to provide access to employees from all regions to relevant expert advice on healthy lifestyle and disease prevention.
HR management and social partnership

Nornickel’s contribution to the Labour Productivity national project

Relevant UN SDGs

Key HR management responsibilities

Board of Directors
- Approves key HR policies
- Reviews HR management priorities and key internal regulations
- Reviews matters related to human capital development

Corporate Governance, Nomination and Remuneration Committee of the Board of Directors
- For more details, please see the Social Policy section
- Relocation assistance for new employees
- For more details, please see the Social Policy section

Corporate Trust Line, offices for operational, social and labour relations
- Implement HR and social policies at Group companies
- Register complaints and queries related to employee rights

Nornickel’s key HR management regulations
- Principles and provisions of the international law, standards of the International Labour Organisation, national laws of the countries of operation;
- Equal Opportunities Programme;
- Freedom of Association Policy;
- Working Conditions Policy;
- Personal Data Processing Policy;
- Talent Pool Regulation;
- Procedure for Assessing Employee Performance at Nornickel’s Head Office.

1 The Board of Directors approved the above MMC Norilsk Nickel’s policies and Equal Opportunities Programme.

Key initiatives and focus areas

- Building a professional and balanced team;
- Staff training and development;
- Promotion of collective bargaining agreements and social partnership;
- Development of corporate communities;
- For more details, please see the Development of Corporate Communities subsection;
- Programme to improve social and working conditions at production sites;
- For more details, please see the Social Policy section;
- Relocation assistance for new employees;
- For more details, please see the Social Policy section.

Corporate Trust Line, offices for operational, social and labour relations
- Implement HR and social policies at Group companies
- Register complaints and queries related to employee rights

The expertise and motivation of the Company’s employees are key to its successful development. With this in mind, Nornickel seeks to create an attractive employee value proposition to help its people fully develop their potential and boost the shared sense of engagement towards achieving the Company’s goals.

The Company’s strategic goal is to ensure its leadership as an employer among metals and mining companies, which is set out in the Human Capital Development Programme.

Related federal projects

- Stimulating employment and improving labour market efficiency as a way to increase labour productivity
- Staff training and development
- Promotion of collective bargaining agreements and social partnership
- Development of corporate communities
- For more details, please see the Development of Corporate Communities subsection
- Programme to improve social and working conditions at production sites
- For more details, please see the Social Policy section
- Relocation assistance for new employees
- For more details, please see the Social Policy section

HR management responsibilities are allocated among Nornickel’s various governance bodies and business units in line with their terms of reference.

The expertise and motivation of the Company’s employees are key to its successful development. With this in mind, Nornickel seeks to create an attractive employee value proposition to help its people fully develop their potential and boost the shared sense of engagement towards achieving the Company’s goals.

The Company’s strategic goal is to ensure its leadership as an employer among metals and mining companies, which is set out in the Human Capital Development Programme.

Nornickel’s key HR management regulations

- Principles and provisions of the international law, standards of the International Labour Organisation, national laws of the countries of operation;
- Equal Opportunities Programme;
- Freedom of Association Policy;
- Working Conditions Policy;
- Personal Data Processing Policy;
- Talent Pool Regulation;
- Procedure for Assessing Employee Performance at Nornickel’s Head Office.

1 The Board of Directors approved the above MMC Norilsk Nickel’s policies and Equal Opportunities Programme.
Staff composition

In 2022, the Group's average headcount was 78,374 employees, of which 99% were employed at its Russian operations. A 6.5% y-o-y growth in the average headcount in 2022 was driven by the investment programme, organisational and technical changes, an expanded scope of works and services, and personnel recruitment.

The headcount of the Group’s Russian operations as at the year-end stood at 82,200 employees, with most of them working full-time (>99%) and on permanent contracts (>99%). As at the end of 2022, there were 907 employees working under civil contracts.

Locally hired employees

The share of locally hired executives was 98.7% across the Group’s companies in 2022. The share of locally hired employees was 99.7% across the Group’s companies as at the end of 2022.

The majority of the Group’s personnel is concentrated in the Norilsk Industrial District (87%) where most of the Group’s production assets are located.

Nornickel takes the responsibility for its impact on the labour markets in the regions where it operates. In hiring personnel, we assess all candidates based on their work experience, qualifications, and education.

Personnel structure by gender and category in 2022 (%)  

The majority of employees are men aged 30 to 50 (46.3%), whereas women below 30 years old represent the smallest part of the workforce (4.0%). Such breakdown is typical for mining companies.

Personnel structure by category in 2018-2022 (people)

The share of salaried employees remains high (99%), women below 30 years old represent the smallest part of the workforce (4.0%), whereas women below 30 years old represent the smallest part of the workforce (4.0%). Such breakdown is typical for mining companies.

In 2022, Nornickel’s foreign operations employed 331 people in Europe, 33 people in Africa (South Africa), and 30 people in other regions of the world.
Blue-collar employees account for the largest part of the workforce (62–68%) due to the nature of the Group's operations. The share of men in the overall headcount in 2018–2022 remained stable at 70–71% due to the harsh working conditions in the climate of the Far North. Female workers prevail in the category of white-collar employees (53–57% in the reviewed historical period).

Key personnel turnover indicators

In 2022, the number of new hires increased as a result of additional recruitment for shift-camp, permanent and temporary jobs and due to staff transfers within the Group.

To hire out-of-town employees, the Company opened recruitment centres in Orsk, Ufa and Yekaterinburg in 2022.

Employee turnover (%)

Employee turnover as at the end of 2022 came in at 10.5%. Voluntary turnover in 2018–2020 was stable at 7–8%; in 2021, the indicator hit 10.5%, the peak value of the reviewed period, while in 2022 it went down to 9.2%.

Strong employer brand

In 2022, we retained leadership in key rankings of the best employers:

- 6th place (out of 82) in the Best Employer Ranking for November 2022 (RBC. Market research);
- 8th place in the Best Employers among Their Target Audience category in Future Today’s ranking, which takes into account the opinions of Russian university students;
- 12th place among the largest companies in the national employer rating by HeadHunter out of more than 1,000 participants (103 finalists classified as major companies), including by category: 1st place in a survey of job applicants from the Industrial Production, Trading and Production Companies sector, 25th place in the Most Advanced Business Processes subcategory, 32nd place in the Choice of Candidates subcategory;
- Best Employer according to the Best Company Award, a ranking compiled by Changellenge based on a survey of students and graduates from the leading universities: 18th place in the Technical Professions nomination, 44th place in the Business Professions nomination, and the 56/57th place in the IT Professions nomination;
- gold prize by Forbes in its best employers rating (Top 50 out of 104 participating companies), platinum prizes in the Employees and Society category and the Corporate Governance category;
- Best in Russia – Companies and Persons of the Year, a list of Russia’s most attractive employers based on a survey conducted by the Russian Public Opinion Research Centre (VCIOM) and Anews.
Commitment to employee rights

Nornickel respects employee rights and fully takes them into account in its operations, including by:

- giving its employees equal opportunities to unlock their professional potential, assessing their performance in an impartial and fair manner, employing and promoting people based solely on their professional abilities, knowledge, and skills;
- implementing programmes for the development and social support of its employees, and upholding their rights in respect of social security, education, family welfare, shelter, freedom of artistic expression, and participation in cultural life;
- employing people with disabilities and providing them with the necessary working conditions, including work and rest schedule, annual and additional paid leaves, and financial assistance (according to the employment quotas that vary depending on the region and company size, the share of employees with disabilities starts from 2% of the average headcount, excluding employees involved in harsh, hazardous and/or dangerous work);
- prohibiting women's exposure to harsh, hazardous and/or dangerous working conditions in the mining industry, and showing zero tolerance towards child labour and the involvement of minors below 18 years old in hazardous and/or dangerous work.
- respecting internal labour regulations, which are approved in consultation with the trade union organisation, and formalising employees' working hours:
  - the Company has a standard working week of 40 hours as determined by the applicable Russian laws and regulations;
  - employees involved in harsh, hazardous and/or dangerous activities enjoy a reduced working week of not more than 36 hours;
  - women employed in the Far North and equivalent areas are accorded 36 hours of work per week unless reduced by Russian laws and regulations. The Company arranges for accurate time and attendance control for each employee.
- respecting internal labour regulations, which are approved in consultation with the trade union organisation, and formalising employees' working hours:
  - the Company has a standard working week of 40 hours as determined by the applicable Russian laws and regulations;
  - employees involved in harsh, hazardous and/or dangerous activities enjoy a reduced working week of not more than 36 hours;
  - women employed in the Far North and equivalent areas are accorded 36 hours of work per week unless reduced by Russian laws and regulations. The Company arranges for accurate time and attendance control for each employee.

The Company seeks to maintain an ongoing dialogue with employees and to offer everyone an opportunity to be heard. In 2022, in addition to the Corporate Trust Line and an improved complaint review framework, the Group continued to run offices for operating, social and labour relations. The number of such offices increased by 8% y-o-y. They are primarily tasked with response to employee queries, control of their processing, prompt resolution of conflicts and prevention of employee right violations, and regular monitoring of social climate within teams. This enables the Company to address any arising issues in a timely manner.

In 2022, the Group’s companies operating in the Norilsk Industrial District ran 48.6 thsd employees attended over 2,000 staff meetings.

The offices received

> 52,000 queries with a focus on social and working matters (86%), legal matters (12%) and other topics (2%).

104.9 thsd queries from the Company’s employees (93%), former employees (6%), and other employee categories (1%).
In order to develop interregional social partnerships, in 2019 Interregional Cross-Industry Association of Employers “Union of Copper and Nickel Producers and Their Supporting Industries” and the Trade Union of MMC Norilsk Nickel Employees signed an interregional cross-industry agreement for copper and nickel producers and their supporting industries for 2019–2022. In 2021, the agreement was amended and extended until 2025. This document regulates social and labour relations between employers and their employees, and sets out common approaches to employee remuneration, compensation and benefits, work and rest schedule, health and safety, dismissals and other matters.

As at the end of 2022, the agreement applied to 21 Group companies, covering 89.7% of the Group’s employees.

The Company has a system of social partnership in place at its sites to align the interests of employees and employers in terms of the regulation of social and labour relations. The Company fully complies with the Labour Code of the Russian Federation, collective bargaining agreements, the interregional cross-industry agreement for copper and nickel producers and their supporting industries for 2022–2025, and joint resolutions. We also follow the Freedom of Association Policy approved by the Board of Directors.

Thus, the interests of the Group’s employees are represented on a local, regional and interregional level.

In 2021–2022, the trade unions and social and labour councils made regular contributions to the activities of commissions set up by the employer to inspect the sanitary condition of dietary and general food service providers and to assess the quality of food served at the Group’s facilities in the Norilsk Industrial District.

As a way to improve understanding of the Company’s plans or accomplishments and inform workers about resolutions adopted by the Group’s management on social and labour matters, in 2022 trade unionists were invited to take part in an awareness-raising campaign launched by the employer to highlight changes in the corporate approach to bonus payments to employees for their production-related achievements and contributions to the identification and assessment of health and safety risks. The Company believes that such meetings give an opportunity to maintain a constructive dialogue with the representatives of its workforce and receive timely feedback on ongoing corporate changes.

The Group companies are parties to 23 collective bargaining agreements covering 94.4% of the Group’s headcount. As at the end of 2022, 7.4% of the Group’s employees were members of trade unions, while 77% were represented by social and labour councils.

Social and labour relations at the Group companies that do not have collective bargaining agreements (5.6% of Nornickel’s employees) are governed through by-laws adopted by such companies in consultation with the employees’ representative body (if any) as and when required by the applicable Russian labour laws.

As per the Labour Code of the Russian Federation, Nornickel notifies employees regarding significant changes in the Company’s activities:

- at least three months prior to the start of such changes if the redundancy decision may lead to large-scale dismissals.

These standards are formalised in all collective bargaining agreements.
Incentives and rewards

To motivate our employees to enhance their productivity and deliver business growth as well as to retain our highly qualified specialists, Nornickel runs a comprehensive employee incentive programme with both financial and non-financial rewards.

The use of financial rewards is governed by the Company’s remuneration policy.

Remuneration policy goals

- Attract talent
- Retain talent
- Promote a productivity mindset

Remuneration policy principles

- Internal equity – remuneration management is based on job description and evaluation in line with the existing grading system. Nornickel uses a uniform grading system covering all positions in the Company.
- External competitiveness – remuneration is set in line with the labour market data adjusted for the company’s area of activity and location and depending on the job grade.
- Performance-based incentives – pay level is reviewed subject to the annual performance assessment outcome.
- Simplicity of the remuneration system – pay level calculation and review procedures are transparent, and every employee knows how to improve their remuneration.

In 2022, we continued our efforts to improve the bonus system for PMO staff. The updated incentive system is based on progress against key project indicators designed to motivate and retain key talent until the project is completed.

In the reporting year, the Company changed its approach to the calculation of full-year performance-based bonuses paid to the executives, white-collar and blue-collar employees beyond the perimeter of the performance management system.

Changes made to the bonus payment system in 2021–2022 enhanced transparency of the accrual process for employees.

Remuneration package across the Group’s Russian operations in 2022 (%)

<table>
<thead>
<tr>
<th>Remuneration package</th>
<th>94%</th>
<th>6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed part</th>
<th>Variable (bonus) part</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Regular bonus</td>
<td>One-off bonus</td>
</tr>
<tr>
<td>10%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Remuneration policy goals

- Incentives
-和 rewards

The Company prohibits any discrimination in terms of setting and changing wages based on gender, age, race, nationality, origin, or religion.

Nornickel uses a grading system designed to ensure a fair, transparent, and unbiased remuneration framework within the Company. Grading relies on the point factor method of job evaluation that takes into account knowledge and skills, the complexity of tasks, and the level of responsibility.

In 2022, we continued our efforts to improve the bonus system for PMO staff. The updated incentive system is based on progress against key project indicators designed to motivate and retain key talent until the project is completed.

In the reporting year, the Company changed its approach to the calculation of full-year performance-based bonuses paid to the executives, white-collar and blue-collar employees beyond the perimeter of the performance management system.

Changes made to the bonus payment system in 2021–2022 enhanced transparency of the accrual process for employees.

Remuneration package across the Group’s Russian operations in 2022 (%)

<table>
<thead>
<tr>
<th>Remuneration package</th>
<th>94%</th>
<th>6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed part</th>
<th>Variable (bonus) part</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>Regular bonus</td>
<td>One-off bonus</td>
</tr>
<tr>
<td>10%</td>
<td>21%</td>
</tr>
</tbody>
</table>
The definition of significant regions of operation is provided in the glossary. This table discloses information only for Nornickel Group’s key production and administrative BUs with at least 500 employees.

<table>
<thead>
<tr>
<th>Region</th>
<th>Remuneration package, RUB ‘000</th>
<th>Average monthly salary, RUB ‘000</th>
<th>Share of regional payroll in total pay-roll, %</th>
<th>Minimum monthly compensation to statutory minimum wage</th>
<th>Statutory minimum wage, RUB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group average</td>
<td>194.7</td>
<td>182.5</td>
<td>100.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Norilsk Industrial District (NID)</td>
<td>198.7</td>
<td>185.6</td>
<td>67.9</td>
<td>1.0</td>
<td>39,725</td>
</tr>
<tr>
<td>Kola Peninsula Industrial District (Murmansk Region)</td>
<td>139.7</td>
<td>128.3</td>
<td>10.9</td>
<td>1.0</td>
<td>35,142</td>
</tr>
<tr>
<td>Krasnoyarsk Territory (excluding NID)</td>
<td>103.5</td>
<td>98.5</td>
<td>2.6</td>
<td>1.0</td>
<td>24,446</td>
</tr>
<tr>
<td>Trans-Baikal Territory</td>
<td>179.6</td>
<td>170.4</td>
<td>3.4</td>
<td>1.62</td>
<td>22,919</td>
</tr>
<tr>
<td>Moscow</td>
<td>310.7</td>
<td>288.8</td>
<td>15.2</td>
<td>2.47</td>
<td>23,508</td>
</tr>
</tbody>
</table>

In 2022, a company-wide average monthly salary was 150.4% higher than the average nominal monthly salary accrued to the employees of organisations that are not small businesses across Russia. In particular, it was 64.2% and 137.5% higher than salaries at metal ore mining companies and metals companies, respectively.

Corporate culture development

To project a positive image of the Company in the market, streamline business processes, boost motivation and engagement, and speed up onboarding for new hires, Nornickel seeks to develop its corporate culture with a focus on improving efficiency and accountability.

Training for management teams in corporate culture

In 2022, we continued to offer training for management teams, with two management development programmes sparking particular interest – Engagement Workshops (12 workshops, more than 40 training sessions) and Corporate Culture Workshop (48 workshops at 36 sites). These workshops improved engagement and involvement of management teams in the corporate culture development programmes.

Engagement

Nornickel runs a series of annual activities for managing personnel engagement, which comprises three stages:
- conducting a survey named “Let Everyone Be Heard. What Do You Think?”;
- analysing the results of the survey; developing and implementing solutions based on the survey results.

The survey offers the senior management a unique opportunity to receive feedback from their employees, identify key issues and define areas for improvement at each production site. In 2022, 50,500 employees took part in the research (including surveying and focus groups), a 6% increase y-o-y. Its results are subject to review, with corrective actions planned and implemented at all governance levels – from facilities to the Group as a whole.

Progressive engagement growth was recorded against the majority of applicable factors.

Factor | Employee engagement | Initiatives to increase engagement
--- | ------------------- | --------------------------------------------
Credibility and accessibility of the senior management | up to 22 p.p. in four years (from 31% to 53%) | • Nornickel Live stream and Challenges video call with vice presidents
• Corporate Dialogues
• Forums, corporate training programmes
• Leadership by example, words underpinned by actions

Career opportunities | up to 18 p.p. in four years (from 32% to 50%) | • Availability of information on job vacancies
• Programmes of appointments from the internal talent pool
• Active awareness raising about internal promotions
• Training and development programmes

Rewards and recognition | up to 18 p.p. in four years (from 35% to 53%) | • Progressive higher than average salary growth
• Redressing imbalances in the remuneration system
• Application of grades
• Awareness-raising campaigns on salaries, bonuses and social benefits

1 The definition of significant regions of operation is provided in the glossary. This table discloses information only for Nornickel Group’s key production and administrative BUs with at least 500 employees.

To boost employee engagement, the Company responds to employee queries and takes management decisions seeking to ensure salary indexation, expand the scope of social programmes, provide employees with workplace amenities and voluntary health insurance, and deliver on the Norilsk and Monchegorsk renovation programmes, environmental programmes, and equipment upgrade programmes.

In 2022, Nor nickel developed new approaches suggesting the integration of business objectives into the annual cycle of engagement management: discussion of business goals, assessment of the need for closer engagement with target groups, performance analysis of programmes designed to support key business goals, and business improvement initiatives. In addition to that, the Company changed its initiative planning and implementation approach in 2022. Before 2021 and throughout this year, communication initiatives outnumbered measures focusing on process and system changes.

Employee awards

To foster engagement through non-financial incentives and recognise employee achievements, the Company has put in place the Award Policy closely linked to Nor nickel’s values and strategic priorities. The Company rewards employees for their outstanding professional achievements and contribution, innovations that drive growth and add value, efforts going beyond formal agreements with the Company, and business improvement initiatives. Corporate incentive decisions are reserved to the remit of the Company’s President. In addition to corporate incentives, there are internal incentive awards to employees on behalf of the enterprises where they work.

The Company awards those employees who showed prodigious operating and management achievements and made a significant contribution to production growth.

Compliance with the Business Ethics Code

To ensure that employees understand and accept the principles and fundamentals of the updated Business Ethics Code (approved by the Board of Directors in 2020), the Company continues to offer its employees training programmes explaining the Code (a training module on the Code was integrated into the Our Values programme, Nor nickel Live, and Corporate Dialogues). By the end of 2022, the programmes covered 80% of the Company’s total headcount.

Nickelisation

Nickelisation, a non-financial incentive and acknowledgement platform, is designed to build a closely knit team and promote the Company’s corporate culture by fostering its values, popularising the roles of mentors and internal coaches, and developing a feedback culture. The Company continued developing the project in 2022.

In the reporting year, Gipronickel Institute joined the platform. In 2023, we are planning to roll it out across the remaining Russian business units of the Company.

In the reporting year, employees earned over 245,000 nickels (in-game currency) and purchased over 2,000 gifts with them. They also said thank you to their co-workers 140,000 times and tagged them with value badges 43,000 times.

The platform won an international corporate communications award at InterComm 2021, an award for achievements in human capital management at Crystal Pyramid 2021, and a prize at IT HR Awards. In spring 2022, the 7th edition of WOWHR Award named Nickelisation the best platform in the Digital Solutions category (the competitors in this category included Gazprom Neft with its career portal, VK with its virtual assistant, DIXY with its distant learning app Academy, Softline with its Telegram-based educational chatbot, and IVI with its proposed 360-degree assessment tool).
Personnel training and development

Nornickel’s contribution to the Education national project

Related federal projects
- Young Professionals
- New Opportunities for Everyone
- Social Mobility for Everyone

Key initiatives and focus areas
- Staff training and development programmes, including the development of an educational IT platform
- Corporate scholarships for university students and internships with the Group companies
- Grants for educational institutions and projects through the World of New Opportunities Charity Programme

For more details, please see the Development of Local Communities section

To deliver on the Company’s goals and objectives, enhance production efficiency, and improve staff motivation, we pay special attention to the upskilling of our labour force, and the development of new professional and management expertise, competencies, knowledge and communication skills.

The employee training strategy, plans and programmes are developed in an ongoing cooperation with internal stakeholders and are regularly updated subject to their needs and Nornickel’s strategic priorities. Thanks to this cooperation, the Company’s development programmes are inclusive and work well to achieve its business targets. Our training programmes cover all functional areas and all employee categories.

Key personnel training indicators

In 2022, we held 216,000 training man-sessions (including training, retraining and skill improvement), up 87% y-o-y. The average number of training hours per employee (based on average headcount) is 85, per male employee – 95, per female employee – 62. The main driver behind the increase in the number of training man-sessions is a surge in remote training due to the growing popularity and further advancement of Nornickel Academy. In 2022, the number of Nornickel Academy’s registered users exceeded 81,000, with 62% of them being active users. There was also a marked increase in in-person training due to the lifting of COVID-19 restrictions and return of certain employees to in-person learning. Since 2020, the number of the Company’s employees who completed training programmes has been steadily growing, which led to the rise in expenses on educational initiatives.

Users authorised in the system.
Training opportunities for all employees

One of Nornickel's priorities in 2022 was to build an accelerated training ecosystem to help our staff achieve the Company’s business goals. The ecosystem became the centrepiece of Nornickel’s Training Strategy for 2022–2025:

- Creating a learning environment
- Building a continuous learning culture
- Enhancing professional excellence
- Mastering new skills and technologies (digital, health and safety, ESG)
- Developing critical competencies (including digital, OHS, ESG)

To ensure the achievement of said targets, the Training Strategy sets forth the key priorities of the new training system:

1. Enhancing professional excellence
   - Professional competencies development
2. Continuous training of leaders at all levels
   - Strengthening leadership competencies (managerial and corporate)
3. Mastering new skills and technologies (digital, health and safety, ESG)
   - Enhancing critical competencies
4. Creating a learning environment
   - Transformation of the Corporate University
5. Building a system

Key elements of the ecosystem

- manager: a role model for employees (mentor, coach, career and development sponsor)
- flexible learning environment: digital and in-person learning environments for an informed choice
- continuous learning culture: learning as a fundamental principle and a tool for achieving the desired results, development as a driver of personal fulfillment and career growth

Key objectives of the ecosystem

- build a continuous learning culture
- improve management quality
- enhance professional excellence
- develop critical competencies (including digital, OHS, ESG)

The ecosystem-based approach enshrined in the Strategy offers significant benefits for all stakeholders: the manager gets profoundly engaged professionals who can deliver strong results by leveraging their knowledge and effective interaction skills, while employees can fulfill their professional and career ambitions and unlock their potential. The Company is building a new generation of leaders who can move our business forward and address global challenges such as sustainable development, social and economic justice, and cultural transformation.

The underlying principles of the ecosystem are relevance, accessibility and innovation, with employees expected to pursue lifelong personalized training. This model requires new organizational capabilities, including transition to digital platforms and networks of educational opportunities, and new regulatory approaches focusing on the engagement of all stakeholders.

In 2022, the number of Nornickel Academy’s registered users exceeded >81,000
Nornickel’s continuous learning

Groups

Area

Schoolchildren
- Career guidance for schoolchildren

University students
- Career guidance and leadership programmes, internship (including field internship) programmes, national and international business case championships

Examples

1. The Company provides all first graders with a gift from the Company. More than 5,000 schoolchildren receive this book as a gift from the Company.
2. To complement the book, the Company also created a cartoon series titled “Professor Nichrome’s Lessons.” Each year more than 8,000 schoolchildren take part in these initiatives.
3. The initiatives for schoolchildren include the Arctic Wave festival of R&D discoveries, IMAKE engineering marathon, and School Break: Starts with You, where schoolchildren discover 10 events for the Your Move nationwide business case championships.

Schoolchildren benefits:
- 8,000 schoolchildren take part in these educational projects.
- Each year more than 5,000 schoolchildren receive this book as a gift from the Company.

University students

1. The Company closely cooperates with 30 higher educational institutions across Russia.
2. The Company’s internship programme enjoys strong demand, with over 1,500 students applying for enrollment.
3. In 2022, the Company sponsored CUP Tech 2022 and Metal CUP, nationwide business case championships among students of technical universities.
4. The Conquerors of the North programme is the ultimate ABC of metals and mining, which captures children’s attention with a vivid and eye-catching imagery. It illustrates Nornickel’s operations and explains to kids in a simple way what their parents do for a living.
5. The Conquerors of the North programme included master classes on critically important topics such as ESG, Safety Culture and Risk Management. Further additions to the programme included master classes on critically important topics such as ESG, Safety Culture and Risk Management.

Top 100 managers

Programmes to enhance corporate and management competencies:
- In 2022, Nornickel launched a module-based Energy of Changes corporate development programme. The programme has a mixed format.
- Its modules are as follows:
  1. Energy of Changes (change management);
  2. Leadership Energy (headfulness of the leader);
  3. Team Energy (teamwork);
  4. Energy of Results (responsibility for achieved results);
  5. Energy of Well-Being. The training was completed by 105 managers.

Managers at all levels

Programmes to enhance corporate and management competencies:
- In 2022, the Company continued running its 360-Degree Management programme with a focus on enhancing corporate and management competencies.
- Participants of the programme selected their topics on their own, taking into account their individual development plans. Training covered seven topics:
  - managerial decision-making;
  - ambitious management;
  - leadership that makes a difference;
  - expertise in management communications;
  - change management;
  - resource management;
  - team management.

Middle management

Online training
- In 2022, the Company continued to run the Pursuing Efficiency programme in an online format. The programme traditionally includes both theoretical and project-based activities.
- Five modules:
  - Result-oriented Management (“Manage!”);
  - Productivity (“Improve!”);
  - Effective Communications (“Negotiate!”);
  - Financial Management (“Analyse!”);
  - Team Management (“Interact!”).

The training was completed by 113 employees from 23 branches and entities of the Company, including 106 managers and 7 young professionals. A particular feature of the programme is the transformation of middle managers’ online behaviour: they develop the habit of acquiring knowledge in a digital environment and interacting with each other. For many participants, this transformation has meant a dramatic change in their attitude – from passive online listeners to active doers.
Nornickel's continuous learning

**Employees**

**Talent pool**

Planning the professional and career growth of the Company's employees, building a talent pool for managerial positions, training and promoting pool members.

In 2022, the Company continued to grow and train a pool of junior and mid-level managers at 11 sites of Norilsk and Kola divisions. All along, Nornickel was running pilot projects to update its approaches to forging talent pools for the mining facilities of Polar Division and Kola MMC. The projects focused on the selection of employees with strong development and career growth aspirations, and widening the range of self-promotion opportunities for the staff.

We also kept expanding a pool of top managers. In 2022, HR committees held 143 meetings on key functional areas and Top 100 managers, including 35 meetings convened at the level of the Head Office and attended by Vice Presidents. The key focus was on hedging against the shortage of top managers, and building a talent pool not only for the Group's top management positions, but also for the management roles of individual facilities and entities. Over 30% of the pool members are ready for promotion right now or will be ready for it within one year.

In 2023, the Company plans to build and roll out a uniform talent management cycle.

**Blue-collar employees**

Creating hi-tech learning spaces to improve practical skills

1. Blue-collar employees receive ongoing training (including training, retraining and skill improvement). In 2022, the Company held 81,000 training man-sessions, up 62% y-o-y. The average annual number of training hours per employee (based on average headcount) came in at 84.

2. The Company has put in place all the necessary infrastructure for training and developing blue-collar employees, including:
   - teaching blocks equipped with training simulators and laboratories; an underground training base designed to improve employees’ practical skills through the use of VR technologies and dedicated videos;
   - Process Factory, a training simulation facility offering employees an opportunity to learn more about the efficient management of production flows by using the Lean Production tool;
   - comfortable modern classrooms and a cutting-edge conference hall for corporate events.

3. The Company plans to further upgrade its training infrastructure:
   - The construction of a new innovative training centre in Taulikh is slated for completion in 2023. The centre will feature a fleet of simulators to develop hands-on skills.
   - Training equipment used for imparting safety practices and techniques with staff working at height and in confined enclosed spaces has been manufactured and is ready to be put on stream in 2023.

**Development of digital skills**

Development of digital skills and improvement of digital literacy remain among the key priorities of our training programmes. That is why the Company continues to roll out Digital Nornickel, an educational programme focusing on digitalisation and seeking to offer all employees an opportunity to learn the technology and skills required to work in the modern world of digital production and live in a digital environment. As at the end of 2023, 65,500 employees completed the training course.

The Company is looking beyond just providing the existing staff with training opportunities and is trying to expand its target audience outreach. In September 2022, we launched Tsifronikel.Junior, a quest offering our employees’ children aged 8 to 12 to learn more about Nornickel's advanced digital capabilities by tackling various challenges and accomplishing different missions. Simple assignments help children understand how digitalisation has burst into our everyday activities and become an indispensable tool on our journey towards progress and development.

The Nornickel Academy platform offers educational courses helping employees to upgrade their professional skills in all relevant areas, while also giving them access to the Reading Room with free books on personal growth and materials on the latest educational trends and practical performance improvement tools.

In addition to providing in-person and digital training opportunities, the Company supports designated events (Library Night, Each Day Is a Knowledge Day, New Life Starting on Monday), organises public lectures and master classes (Tribune, workshops for schoolchildren) and maintains ongoing communication (L&D Digest, posts in social media, mass media publications) as a way to support its continuous learning concept.

In 2022, Nornickel unveiled a multi-platform competency management system, which helped fully automate relevant processes and enabled all participants to work in a shared information environment. The project covers 22 companies of the Group.

To guarantee the transparency of online testing, the Company launched a dedicated system that automatically records violations during exams by analysing the behaviour of those taking the test based on the webcam, desktop and mic data. With this new system, employees can take tests from pretty much anywhere (including their home and office), whereas earlier they had to sit tests in their classrooms.
Social policy

Nornickel’s contribution to Russian national projects

Relevant UN SDGs
- Financial support for families upon the birth of children
- Older generation
- Promotion of public health
- Sports as a way of life

Demography national project

Related federal projects
- Co-Funded Pension Plan, a corporate private pension programme, which focuses on supporting unemployed pensioners
- Sporting and mass public events programme

Demography national project

Key initiatives and focus areas
- Creation of jobs across our footprint
- Development of the primary health care system
- Creation of a network of national medical research centres and introduction of innovative medical technologies
- Compensation of employees and their families for health resort and vacation expenses
- Providing employees and their families with voluntary health insurance
- Conducting occupational health and safety training sessions
- Providing employees with personal protective equipment
- Corporate Healthcare project

Healthcare national project

Related federal projects
- Compensating employees and their families for health resort and vacation expenses
- Providing employees and their families with voluntary health insurance
- Conducting occupational health and safety training sessions
- Providing employees with personal protective equipment
- Corporate Healthcare project

Key initiatives and focus areas
- To attract and retain skilled employees and improve their loyalty and engagement, Nornickel regularly offers its employees across all of its locations a wide range of benefits and social care support.
- For more details, please see the HR Management and Social Partnership section
- For more details, please see the Occupational Health and Safety section

The social package includes the following benefits and compensations:
- Health resort treatment and vacation to employees and their families at subsidised prices;
- Annual payment of return travel to and from a place of vacation for employees in the Far North and equivalent areas, and their families, including associated baggage fees;
- Relocation allowances (lump sum payment for resettlement, reimbursement of travel expenses and baggage fees, monthly rental (sub-rental) payment / compensation for dormitory fees);
- VHI for employees and their families;
- One-off financial aid to employees experiencing certain major life events or hardships;
- Additional employee pensions and other types of social benefits under the existing collective bargaining agreements and internal regulations;
- Redundancy payments.
Social expenses and benefits (RUB min)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sanitary facilities</th>
<th>Sports objects</th>
<th>Public catering facilities</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>171</td>
<td>108</td>
<td>108</td>
<td>50</td>
</tr>
<tr>
<td>2022</td>
<td>171</td>
<td>108</td>
<td>108</td>
<td>50</td>
</tr>
<tr>
<td>2023F</td>
<td>171</td>
<td>108</td>
<td>108</td>
<td>50</td>
</tr>
</tbody>
</table>

Costs of the programme to improve social and working conditions (RUB bn)

- 13.6

Social facilities overhauled in 2022

- Sanitary facilities
- Public catering facilities
- Sports objects
- Other

Health improvement programmes

Given the harsh climate of the Far North and the nature of operations at the Group’s facilities, Nornickel pays close attention to improving the health of its employees. In line with its obligations under the collective bargaining agreement, the Company implements rehabilitation and health resort treatment programmes for employees and their family members.

Participants

Key health improvement programmes

<table>
<thead>
<tr>
<th>Programme</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zapolyarye Health Resort (Sochi)</td>
<td>10,779</td>
<td>16,592</td>
<td>17,852</td>
<td>17,060</td>
</tr>
<tr>
<td>Rosas Springs Health Resort (7 days) +</td>
<td>2,241</td>
<td>3,650</td>
<td>3,650</td>
<td>3,650</td>
</tr>
<tr>
<td>Zapolyarye Health Resort (14 days)</td>
<td>1,038</td>
<td>1,564</td>
<td>2,004</td>
<td>1,693</td>
</tr>
<tr>
<td>Kolyski Health and Spa Centre (Monchegorsk)</td>
<td>1,240</td>
<td>1,988</td>
<td>4,190</td>
<td>2,902</td>
</tr>
<tr>
<td>- Russia and Belokurikha health resorts</td>
<td>696</td>
<td>837</td>
<td>895</td>
<td>873</td>
</tr>
<tr>
<td>- Altai Territory</td>
<td>500</td>
<td>800</td>
<td>1,626</td>
<td>1,026</td>
</tr>
<tr>
<td>- Primorie Holiday Centre, Golubaya Dal’ Health Resort (Geledzhik)</td>
<td>0</td>
<td>0</td>
<td>700</td>
<td>0</td>
</tr>
<tr>
<td>- Malaysia Bukhta Health Resort (Anapa)</td>
<td>0</td>
<td>0</td>
<td>380</td>
<td>665</td>
</tr>
<tr>
<td>- Viktoriya, Tsentrkhoz-Kislavodsk, Sechenov health resorts (the Caucasian Mineral Waters)</td>
<td>0</td>
<td>0</td>
<td>324</td>
<td>0</td>
</tr>
<tr>
<td>- Rosa Springs Health Resort (18 days)</td>
<td>0</td>
<td>0</td>
<td>559</td>
<td>0</td>
</tr>
<tr>
<td>- Rosa Springs Health Resort + Imeretinsky Resort</td>
<td>0</td>
<td>0</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>- other non-corporate health resorts</td>
<td>44</td>
<td>27</td>
<td>30</td>
<td>338</td>
</tr>
<tr>
<td>Vacations for children (Anapa)</td>
<td>0</td>
<td>1,330</td>
<td>1,527</td>
<td>1,575</td>
</tr>
<tr>
<td>International vacation programme (Bulgaria)</td>
<td>0</td>
<td>3,041</td>
<td>14</td>
<td>1,120</td>
</tr>
<tr>
<td>Total participants</td>
<td>13,057</td>
<td>24,515</td>
<td>25,587</td>
<td>24,350</td>
</tr>
</tbody>
</table>

Programme to improve social and working conditions at production sites

- Given the industry specifics and the geography of the Company’s operations, it is of vital importance to ensure comfortable and safe working conditions contributing to the health of employees, reduction of occupational diseases and injury rate, higher employee productivity and engagement.

- The Group companies operate more than 3,300 sanitary, amenity, sports and fitness, catering, healthcare, and recreational facilities with a total area of over 360,000 m².

- In 2022, a programme to improve social and working conditions at production sites, launched back in 2003 to ensure a comfortable environment for each employee through a consistent dialogue and care.

- The programme saw repairs of social facilities using modern materials and technologies in line with a group-wide standards handbook. In addition to the facilities themselves, repairs included entrances, corridors and staircases.

- In 2023, the programme’s expenses will stand at RUB 6.5 bn

- In 2023, the programme plans to renovate 117 social facilities

- Other non-corporate health resorts
In 2022, 25,600 people took part in health improvement programmes, up 4% y-o-y. The most popular destination was the Zapolyarye Health Resort (Sochi). Children of the Company’s employees spend their summer holidays in a health resort and recreation camp on the Black Sea.

In addition to health resort treatment, the Company promotes a healthy lifestyle by facilitating regular fitness sessions of its employees and holding annual corporate sports festivals and competitions.

For more details, please see the Sporting and mass public events programme section.

Voluntary health insurance

VHI is an essential part of social support; all of the Company’s employees are covered by insurance policies. In addition, Norilnickel provides employees with an opportunity to insure a close relative at corporate rates.

Under VHI policies, the Company’s employees have a wide range of medical services available to them. Employees living in the Far North can use VHI policies to access healthcare services not only where they live but in all the areas that the policy covers. All insurance programmes offer the same set of services for various personnel categories; the only difference is the level of healthcare centres and the region of coverage.

In addition, the Company’s employees have an opportunity to have specialised genome sequencing tests (which help identify and assess potential risks of developing a serious health condition) and get a geneticist consultation.

In 2022, an average participant contribution amounted to 3.7% of the employee’s salary, or the Company’s monthly average of RUB 6,133.

Programmes supporting former employees and their families

In addition to the non-governmental pension plan, the Company implements the following continuous support measures for former employees:

- the Company’s Veterans programme supporting unemployed pensioners who permanently reside outside of the Norilsk Industrial District. The Fund relies on voluntary monthly contributions from employee salaries and charitable contributions from the Company’s budget;
- the pensioner financial aid fund grants financial aid to former employees who retired prior to 10 July 2001 provided they had been employed by the Company’s units for more than 25 years and permanently reside outside of the Norilsk Industrial District. The Fund relies on voluntary monthly contributions from employee salaries and charitable contributions from the Company’s budget;
- targeted financial assistance for former employees and their family members (paying for medical treatment, medications, funeral services, helping those in financial distress).

Participants of the Co-Funded Pension Plan, by region

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total participants</td>
<td>12,304</td>
<td>11,519</td>
<td>10,776</td>
<td>12,593</td>
<td>10,406</td>
</tr>
<tr>
<td>Norilsk Industrial District</td>
<td>9,972</td>
<td>9,288</td>
<td>8,737</td>
<td>10,483</td>
<td>8,361</td>
</tr>
<tr>
<td>Kola Peninsula Industrial District</td>
<td>2,313</td>
<td>2,215</td>
<td>2,013</td>
<td>2,062</td>
<td>2,015</td>
</tr>
<tr>
<td>Moscow and other regions of Russia</td>
<td>19</td>
<td>16</td>
<td>26</td>
<td>48</td>
<td>30</td>
</tr>
</tbody>
</table>

Co-Funded Pension Plan 2022 highlights

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Company costs (RUB mln)</td>
<td>681.9</td>
</tr>
<tr>
<td>Participant’s contribution</td>
<td>3.7</td>
</tr>
<tr>
<td>Average contribution per participant (% of wages)</td>
<td>3.7</td>
</tr>
<tr>
<td>Average monthly contribution per participant (RUB '000)</td>
<td>6.2</td>
</tr>
<tr>
<td>Company's contribution under the Parity Plan</td>
<td>6.1</td>
</tr>
<tr>
<td>Average contribution per participant (% of wages)</td>
<td>6.1</td>
</tr>
<tr>
<td>Average monthly contribution per participant (RUB '000)</td>
<td>6.1</td>
</tr>
</tbody>
</table>

Co-Funded Pension Plan Programme

In 2022, an average participant contribution amounted to 3.7% of the employee’s salary, or the Company’s monthly average of RUB 6,133.

The programme provides for two pension plans: Parity and Corporate. Under the Parity Plan, pension savings are co-funded by the employee and the Company on a parity (equal) basis. The Corporate Plan is designed for highly skilled employees and/or employees with highly sought-after occupations; within this plan, Norilnickel finances private pension plans for such employees.

To support employees after they retire, Norilnickel has in place the Co-Funded Pension Plan, a corporate private pension programme. As at the end of 2022, it covered 10,400 employees across 23 Group companies, with almost 4,500 retirees already receiving pensions.
Housing programmes

To ensure comfortable living conditions for employees and foster long-term engagement, the Company has been implementing housing programmes (Our Home / My Home and Your Home) for over 10 years now. Under these programmes, participants get the opportunity to acquire ready-for-living apartments located in close proximity to each other on special terms in Moscow and Tver regions, Krasnodar Territory and Yakutia.

The programmes’ participants are qualified proactive employees of 24 business units and branches of Nornickel Group located in Norilsk, the Taimyrsky Dolgano-Nenetsky Municipal District, Krasnoyarsk, and Murmansk Region.

The only difference between the housing programmes is the way ownership is transferred:
- Our Home / My Home – property titles are registered at the end of the employee’s participation in the programme, but the employee may move in immediately after receiving the apartment
- Your Home – property titles are registered from the start of the employee’s participation in the programme, but is burdened with a lien to be held until the employee fully pays up the entire cost of the apartment to the seller.

Relocation programme

In early 2022, the Company launched the Employee Relocation programme to support an employee when moving to another region due to a change in job duties, either with their current employer or a different employer within the Group. In addition to reimbursing travel expenses, baggage fees, living costs, and providing a one-time relocation allowance and additional leave for an employee to settle in, the programme provides for a relocation benefit (up to 40% of salary). The maximum amount of the relocation benefit depends on the target location (settlement).

Social support to employees facing redundancies due to closure of production facilities

The social support programme for employees facing redundancies was developed following the decision to shut down the smelting facility in Nickel in November 2019. The programme includes comfortable relocation to other sites, retraining, and pension plans. Later, it was also extended to employees of the metallurgical shop in Monchegorsk.

In 2019–2022, a total of 955 people at Kola MMC were enrolled in the programme (63% signed employment contracts with the Company and had the same level of pay during the first year, while 37% decided to leave the Company and were dismissed with additional payments; 353 people attended training, retraining and upskilling programmes. In 2020–2022, the Company spent more than RUB 16 bn on social programmes for smelting shop employees.

Development of corporate communities

Corporate communities of active experts from the Group companies contribute to greater involvement of employees in the Company’s strategic agenda, encourage employees to participate in corporate and social activities in the Group companies and regions of operation and facilitate partnerships with local community representatives aimed at boosting social development of local communities and improving the well-being of local residents.

Those Who Care corporate programme

The Those Who Care change management programme implemented in the Kola and Norilsk divisions targets proactive and engaged employees who aspire to develop and implement projects on boosting the Company’s efficiency, even beyond their functional duties.

The project seeks to create a professional and diverse community of like-minded people capable of jointly addressing a wide range of tasks through their skills and knowledge. The website created as part of the project, komunversaryav.ru, serves as a universal platform allowing any manager to initiate an issue to be tackled. After examining it, community members can build a team of specialists and undertake a project.

For the project to be successfully implemented, teams can ask the business customer to provide them with managerial, administrative and financial resources. The implementation of the corporate programme is of great importance for absolutely all stakeholders.

Support to new employees

The Company supports new employees, including young specialists, workers, engineering staff, and managers relocating to Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District from other regions by reimbursing their relocation expenses, baggage fees, and living costs for the first three years. On top of that, the Company also pays a one-time relocation allowance to support employees at the new place of work.

To help people immerse themselves in the new working, social and cultural environment, the First Arcti leadership programme offers onboarding and teambuilding events enabling them to get to know each other, the Company, and the city.

The leadership programme seeks to attract high-potential graduates of industry-oriented educational organisations and the best young specialists to work in Norilsk/Monchegorsk/Zapolyarny, retain young talent, replenish the talent pool with qualified managers and develop a succession pool (duration – 2.5 years).

The only difference between the housing programmes is the way ownership is transferred:
- Our Home / My Home – property titles are registered at the end of the employee’s participation in the programme, but the employee may move in immediately after receiving the apartment
- Your Home – property titles are registered from the start of the employee’s participation in the programme, but is burdened with a lien to be held until the employee fully pays up the entire cost of the apartment to the seller.

Relocation programme

In early 2022, the Company launched the Employee Relocation programme to support an employee when moving to another region due to a change in job duties, either with their current employer or a different employer within the Group. In addition to reimbursing travel expenses, baggage fees, living costs, and providing a one-time relocation allowance and additional leave for an employee to settle in, the programme provides for a relocation benefit (up to 40% of salary). The maximum amount of the relocation benefit depends on the target location (settlement).

Social support to employees facing redundancies due to closure of production facilities

The social support programme for employees facing redundancies was developed following the decision to shut down the smelting facility in Nickel in November 2019. The programme includes comfortable relocation to other sites, retraining, and pension plans. Later, it was also extended to employees of the metallurgical shop in Monchegorsk.

In 2019–2022, a total of 955 people at Kola MMC were enrolled in the programme (63% signed employment contracts with the Company and had the same level of pay during the first year, while 37% decided to leave the Company and were dismissed with additional payments; 353 people attended training, retraining and upskilling programmes. In 2020–2022, the Company spent more than RUB 16 bn on social programmes for smelting shop employees.

Development of corporate communities

Corporate communities of active experts from the Group companies contribute to greater involvement of employees in the Company’s strategic agenda, encourage employees to participate in corporate and social activities in the Group companies and regions of operation and facilitate partnerships with local community representatives aimed at boosting social development of local communities and improving the well-being of local residents.

Those Who Care corporate programme

The Those Who Care change management programme implemented in the Kola and Norilsk divisions targets proactive and engaged employees who aspire to develop and implement projects on boosting the Company’s efficiency, even beyond their functional duties.

The project seeks to create a professional and diverse community of like-minded people capable of jointly addressing a wide range of tasks through their skills and knowledge. The website created as part of the project, komunversaryav.ru, serves as a universal platform allowing any manager to initiate an issue to be tackled. After examining it, community members can build a team of specialists and undertake a project.

For the project to be successfully implemented, teams can ask the business customer to provide them with managerial, administrative and financial resources. The implementation of the corporate programme is of great importance for absolutely all stakeholders.

Support to new employees

The Company supports new employees, including young specialists, workers, engineering staff, and managers relocating to Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District from other regions by reimbursing their relocation expenses, baggage fees, and living costs for the first three years. On top of that, the Company also pays a one-time relocation allowance to support employees at the new place of work.

To help people immerse themselves in the new working, social and cultural environment, the First Arcti leadership programme offers onboarding and teambuilding events enabling them to get to know each other, the Company, and the city.

The leadership programme seeks to attract high-potential graduates of industry-oriented educational organisations and the best young specialists to work in Norilsk/Monchegorsk/Zapolyarny, retain young talent, replenish the talent pool with qualified managers and develop a succession pool (duration – 2.5 years).
The Those Who Care programme results

726 employees from Monchegorsk, Murmansk, Norilsk, and the Pechengsky District applied for the programme

31 managers became business customers

35 project teams were formed as a result of the selection process

1.3 1.3 bn — the economic impact of the proposed solutions

10% of active programme participants changed their careers in the Company

33 solutions were accepted for implementation

33 out of 56 business tasks were selected as projects

In 2022, the programme won the Employer Brand Award & Summit and was awarded for Human Resource Management in the People Investor: Companies Investing in People category.

LamaLocation project

In 2021, representatives of the Storm regional sports organisation, who have been participants of the Plant of Goodness project for more than three years, were invited to an eco-summit as volunteers. At the Kraysnyans Rills National Park, they drew everyone’s attention to the use of solar panels. Having consulted technical specialists, Storm representatives concluded that volunteering activities (clearing litter from Tamyir’s water bodies) increase the carbon footprint due to the use of gasoline and diesel electric generators during trips to remote areas, maintenance, repairs and systematic supply of fuel for continuous operation. Together with partners, volunteers decided to set up the LamaLocation project to investigate the possibilities of using alternative energy sources in the Tamyir during the summer season. The project was supported by the Company in 2021 as part of the World of New Opportunities’ Socio-Culturally Responsible Initiatives Competition; the active phase of the project took place in 2022.

Students of the Polar State University were involved in the project. With support from the partners, they obtained dive certificates and successfully completed PADI training, which enabled them to assist the volunteer group in installing solar power stations at Lama Lake. The partners donated a wind turbine generator and several solar panels to add to the project’s efficiency.

The project proves that using the location’s green resources helps minimise the carbon footprint. The environmental impact can be mitigated through a sustainable and wise outdoor recreation and use of the project’s facilities.

In 2022, the project became a destination for locals, tourists, athletes, scientists, and visitors from other Russian cities:
• more than 600 employees of Norilsknickelremont were quests and participants of the project, where they learned about green energy in the Arctic;
• a clean-up day on Lake Dolgoye with over 200 participants yielded three trucks of various rubbish removed;
• Master of Sports and Russian champion in various extreme water sports, Alexey Vasilev held a five-day master class in standup paddleboarding with regular and big boards for quests, partners, students, and others;
• Plant of Goodness’ participants and volunteer divers had the opportunity to use the project’s infrastructure for their volunteering functions.

The project aims to save not only nature but also people’s lives. In 2022, a small vessel sank near the LamaLocation base during a violent storm. Thanks to the infrastructure created by the project, victims received all the necessary help and support.

The project’s infrastructure, combined with the knowledge and experience gained, laid the ground for a new initiative. LamaLocation 01 will be the first volunteer fire-fighting outpost in the Arctic. A fire-fighting boat will operate on Lama Lake, and certified fire-fighters will volunteer round the clock during the fire season in summer. The project is supported by the Company and is planned for implementation in 2023.

In Good Company, a corporate youth programme

The programme seeks to bring together young Norilsk employees under 35 years old to promote their professional and creative growth and unlock their potential. An additional objective of the programme is to identify gifted students and young professionals outside the Company and involve them in Norilsk’s operations, ensuring their quick and efficient adaptation in the Company.

The In Good Company programme was established with the needs of young employees in mind. These needs were identified through an analysis of employees’ expectations, which included recognition, self-fulfilment, and experience. Additionally, the programme takes into consideration the needs of the Company, such as increased involvement, the development of talent and skills, and other individual development.

The programme offers versatility by allowing each participant to choose projects from four different tracks.

Professional Practice track
Promoting out-of-the-box thinking. Building a team of like-minded people in a themed community. Participants are innovators and facilitators aiming to boost the Company’s efficiency and their own professional progress.

Growth track
Providing our young employees with an opportunity to achieve career and life success. Participants are active, engaged and loyal young employees ready to develop and learn new things.

Social Practice track
Involving young employees in territory development projects and retaining them in the regions where the Company operates through the creation of a social corporate community. Participants are employees who are ready to address regional problems and are looking for new opportunities and approaches to do so.

Creativity track
Fostering the development of young people’s creative, intellectual and sports skills. Involving people in the joint development and implementation of corporate events. Participants are smart and creative people or anyone who wants to know more about the Company and the region.
Plant of Goodness
The Plant of Goodness corporate volunteering programme is available in all regions where Nornickel operates. The programme covers a wide range of volunteer and charitable projects, which help build a corporate culture, bring together employees around shared values, and strengthen teamwork and communication between business units.

Sporting and mass public events programme
Promoting corporate sports and healthy lifestyle among the Company’s employees contributes to an improved quality of life, higher motivation and involvement, faster adaptation to new working conditions, effective team- and community building.

Nornickel has a separate corporate sports mechanism in place. There are officers responsible for sports development appointed at each of its Group companies in every region where it operates.

The Company has an annual activities plan, including a schedule of training sessions, competitions, round tables and press conferences featuring distinguished athletes. There is also a Sports Promotion Council comprised of representatives of Nornickel’s branches and entities, which approves the plan and addresses relevant issues. Information on the Company’s mass sports events is published on the corporate portal and social networks.

Corporate sporting events run on a permanent basis and cover such regions as the Trans-Baikal Territory (Chita), Krasnoyarsk Territory (Norilsk, Krasnoyarsk), Murmansk Region (Murmansk, Monchegorsk, Zapoljarny, Nickel), the cities of Saratov, Moscow, and Sochi. The Company cooperates with many sports federations (including the International University Sports Federation, Russian Futsal Association, Russian Ice Hockey Federation, etc.) to support sports in the regions where it operates by organising workshops, coach training sessions, procurement of equipment and implementing other initiatives.

The most prominent events of the sporting and public events calendar are corporate contests geared towards employees and local residents. In 2022, the following events were held:
- the 61st Nornickel Spartakiad comprising 14 sports in the Spartakiad proper and six sports in the Spartakiad for retired athletes. A total of 4,024 people took part in the 2022 Spartakiad;
- corporate competitions in alpine skiing and snowboarding, ice-hockey, futsal, basketball, volleyball, etc., as well as “Dad, Mum and I – a Sporty Family” family competition;
- Zabeg.Nornickel in the Norilsk and Kola divisions (jointly with the Hero Race autonomous non-profit organisation), which gave a fresh impetus to the event and attracted more participants;
- various tournaments in the following leagues: Champions League of Business, Labour Reserves, Night Hockey League, Homo Ambulans, Zabeg.RF, etc.;
- training sessions in various sports.

Our sporting and fitness events drew a total of 24,000 participants in the reporting year.

Corporate volunteering
Volunteering is a significant part of employees’ social well-being and a tool for developing human capital. It is linked to human resources management aimed at promoting employee involvement in social issues, fostering corporate horizontal ties, charity and volunteering, communication and emotional skills, offering each and every employee opportunities to fulfil their personal potential, and helping build partnerships between employees.

The Plant of Goodness corporate volunteering programme is implemented in all cities where Nornickel operates. The programme brings together the Company’s expertise and its vast track record of social and environmental initiatives.

Each year, more than 3,500 Company employees, representatives of non-profit organisations and passionate citizens take part in the project with a variety of volunteer events, including educational programmes, environmental marathons, eco-shifts, a charity fair, and a personal donation programme. Nornickel’s volunteers attend international and Russian forums and expert platforms as participants, speakers, moderators, and experts.

After being volunteers for some time, our employees often come up with their own initiatives. The skills and expertise they obtain doing this kind of work help them not just in everyday life, but also in their extra-professional skills and career pursuits.

2022 saw part of the Plant of Goodness project

- > 3,500 corporate volunteers
- > 40 partners involved
- > 370 events implemented
Icebreaker is a comprehensive training project to develop the skills of leaders of the Plant of Goodness volunteering association. It allows volunteers to improve corporate communication and social design and offers a deeper and wider understanding of initiatives’ creation in small towns.

The programme aims at developing the extra-professional skills of the Company’s employees to address social issues and making the leaders of the volunteer movement better learn the region’s context and objectives.

In 2022, there were 20 events in Moscow, Zapsvyazny, Monchegorsk, Norilsk, Chita and Bystrinsky OOK. It was a unique opportunity for employees to be the architects of the programme so it could meet their most pressing needs: through questionnaires and regular surveys, they collected and analysed feedback from volunteers interested in improving the programme. Being in Touch was a key message of 2022 highlighted during all Icebreaker events.

In 2022, a Map of Useful Actions information platform was launched, where programme participants can find like-minded people from their region and jointly implement a project for the benefit of society and the city.

The initiative is implemented in four stages, namely a communication stage, a project stage, a nature reserve stage and a partnership stage.

Results achieved:
- since the project’s inception, there have been 576 volunteer teams (including 184 teams in 2022);
- the marathon has seen more than 6,000 employees (including 1,200 in 2022);
- 932 environmental projects have been implemented (including 200 in 2022);
- more than 40 partners join the project every year.

In 2022, an educational interactive lesson called “Seven Wonders of the Arctic” was developed to foster greater awareness of the Arctic nature and the issues of its conservation.

The lesson can serve as a universal educational tool for the Company’s corporate volunteers to use it in educational institutions in person or online. It can be easily adapted for different age groups as there are different tasks and lesson plans for primary and middle school students.

In 2022, Norilnickel’s volunteers took part in the following events:
- the Siberian Perspective eco-summit is an expert platform for discussions on strategy and synergy in implementing environmental volunteering projects and partner events. It brings together more than 50 international experts and over 70 most active corporate volunteers from Norilnickel and other companies;
- the #WeAreTogether 2022 International Forum was devoted to working in partnership for the sake of achieving common goals and outcomes when addressing most challenging social and public problems; Norilnickel’s volunteer team set up a corporate stand where any visitor to the forum could learn about the Arctic and also discover mechanisms for building corporate culture, bringing together employees around shared values, and strengthening teamwork and inter-city relations through real-life cases of activists from cities where the Company operates. The forum also offered a venue for a session titled “Volunteering – Competencies of the Future”, which was organised with the assistance of Norilnickel and its partners;
- the Garden of Memory international campaign seeks to commemorate everyone who died during the Great Patriotic War. Every year, more than 100 corporate volunteers take part in the campaign;
- the anti-Russian “Save a Forest” campaign is the world’s largest reforestation project. Norilnickel’s volunteers are reforesting the Kola Peninsula by planting over 2,000 pine seedlings each year.

Let’s Do It! Educational programme

The Arctic in Your Hands regional ecological shifts

The eco-shifts are aimed at building partnerships, increasing motivation, learning more about the Company and environment, socialising, sharing experience and working for the benefit of specially protected natural areas (national parks and reserves):
- the Lapland Nature Reserve (Murmansk Region) – installing benches, landscaping in the tourist reception area;
- the Pauvich Nature Reserve (Murmansk Region) – creating recreation areas along the Guzhaya Plitina new nature trail, laying 80 metres of nature trails, installing a viewing bench and a viewing pier;
- the Putoransky Nature Reserve – improving the nature trails at the isthmuses of Yakanchu Lake and Lama Lake (installing directional signs, marking a safe route, anchoring a cable to dangerous rocky areas);
- the Krasnoyarsk Pillars National Park (Krasnoyarsk Territory) – creating a meteorological site, installing a weather visualiser, improving the Zhivov Klyuchik spring;
- the Daursky Nature Reserve (Trans-Baikal Territory) – implementing a project “Plants of the Daursky Nature Reserve” to introduce tourists to nature and raise environmental awareness;
- the Danovoye estate (Moscow Region) – planting fruit trees to recreate historical gardens;
- other projects across the Company’s footprint.

Over 300 volunteers from the Murmansk Region, Norilsk, Chita, Saratov and Moscow attended the 2022 eco-shifts.

Icebreaker is a comprehensive training project to develop the skills of leaders of the Plant of Goodness volunteering association. It allows volunteers to improve corporate communication and social design and offers a deeper and wider understanding of initiatives’ creation in small towns.

The programme aims at developing the extra-professional skills of the Company’s employees to address social issues and making the leaders of the volunteer movement better learn the region’s context and objectives.

In 2022, there were 20 events in Moscow, Zapsvyazny, Monchegorsk, Norilsk, Chita and Bystrinsky OOK. It was a unique opportunity for employees to be the architects of the programme so it could meet their most pressing needs: through questionnaires and regular surveys, they collected and analysed feedback from volunteers interested in improving the programme. Being in Touch was a key message of 2022 highlighted during all Icebreaker events.

In 2022, a Map of Useful Actions information platform was launched, where programme participants can find like-minded people from their region and jointly implement a project for the benefit of society and the city.

The initiative is implemented in four stages, namely a communication stage, a project stage, a nature reserve stage and a partnership stage.

Results achieved:
- since the project’s inception, there have been 576 volunteer teams (including 184 teams in 2022);
- the marathon has seen more than 6,000 employees (including 1,200 in 2022);
- 932 environmental projects have been implemented (including 200 in 2022);
- more than 40 partners join the project every year.

In 2022, an educational interactive lesson called “Seven Wonders of the Arctic” was developed to foster greater awareness of the Arctic nature and the issues of its conservation.

The lesson can serve as a universal educational tool for the Company’s corporate volunteers to use it in educational institutions in person or online. It can be easily adapted for different age groups as there are different tasks and lesson plans for primary and middle school students.
Development of local communities

Key regions of operation¹

Krasnoyarsk Territory

Key areas of cooperation with the Krasnoyarsk Territory

- Oil, gas, coal, platinum and PGMs, copper, nickel, cobalt, lead, zinc, bauxite, gold, silver, non-ferrous metallurgy
- Solid fuel–based power and hydropower generation

Economic

- Implementation of major investment projects in the Krasnoyarsk Territory
- Heat and power supply to the communities and companies in Norilsk, Dudinka and Igarka
- Participation in the Northern Supply Hau programme in the Arctic
- Development of a tourist cluster
- Promotion of commercial activity of indigenous communities of the North – creating conditions and infrastructure for the traditional use of natural resources
- Development of transport and the telecommunication infrastructure

Social

- Implementation of the Programme for Promoting Social and Economic Development of the Taimyrsky Dolgano-Nenetsky Municipal District in 2020–2024
- Assistance in containing the spread of COVID-19
- Support for vocational and supplementary education
- Implementation of the World of New Opportunities charitable programme, the World of Taimyr and the Students of Taimyr initiatives, and the Putoransky Nature Reserve programme; supporting and promoting local and regional public initiatives
- Development of transport and the telecommunication infrastructure

Key projects in the Krasnoyarsk Territory

1. Projects implemented under the Cooperation Agreement with the Krasnoyarsk Territory
2. Projects implemented under the Agreement on Air Passenger Transportation
3. Projects implemented by the Norilsk Development Agency
4. Convention of Social Entrepreneurs from the North
5. Reconstruction of bridges in the Norilsk Industrial District
6. Comprehensive plan of social and economic development of the city of Norilsk
7. Our Home / My Home and Your Home employee housing programmes
8. We Are the City social technologies forum
9. Agreement on cooperation aimed at providing support to the indigenous peoples of the North
10. Federation of Northern Multisport Races
11. Increase of the Taimyr HPP Cascade capacities
12. Sulphur Programme (SO₂ capture at the Company’s existing and planned facilities)
13. Programme to build local treatment facilities
14. Zero Negative Environmental Impact campaign
15. Land rehabilitation programme
16. Release of the juveniles of valuable fish species into water bodies

¹ Source of population data: preliminary estimate of the permanent population as at 1 January 2023 by the Federal State Statistics Service of Russia.
Murmansk Region

**Population**

- **Area**: 144.9 sq km
- **Population**: 657,950 people

**Mineral resources**

- Apatite, nickel, iron, copper, cobalt, palladium, platinum and PGMs, peat.

**Key areas of cooperation with the Murmansk Region**

**Economic**

- Implementation of investment projects and development of production capacities
- Social and economic development of municipalities that are home to Kola MMC’s operational activities
- Development of the transport infrastructure in the Arctic
- Development of a new tourism-driven economy along with the catering and hotel sector

**Social**

- Assistance in containing the spread of COVID-19
- Implementation of the World of New Opportunities charitable programme and the Plant of Goodness corporate volunteering programme; supporting and promoting regional public initiatives
- Development of social entrepreneurship

**Environmental**

- Cooperation on environmental protection, preservation of the Kola Peninsula’s natural ecosystems and landscapes
- Organisation and backing of environmental campaigns

**Key projects in the Murmansk Region**

1. Projects implemented under the Cooperation Agreement with the Murmansk Region Government
2. Convention of Social Entrepreneurs from the North (Monchegorsk, Zapolyarny)
3. Projects implemented by the Monchegorsk Development Agency (Monchegorsk)
4. Second School Centre for Community Initiatives of the Pechenga District
6. We Are the City social technologies forum (organiser) (Zapolyarny)
7. Programme of supporting the Murmansk Region in social infrastructure development in 2020–2024 (the Murmansk Region)
8. Cooperation agreement with the Kola Sámi Association of the Murmansk Region (the Murmansk Region)
9. Zero Negative Environmental Impact campaign (the Murmansk Region)
10. Release of the juveniles of valuable fish species into water bodies

1 General information about the Murmansk Region.
Trans-Baikal Territory

Area: 431.5 sq km²
Population: 992,202 people

Mineral resources:
- Copper, uranium, molybdenum, titanium, gold, tungsten, iron, zinc, silver, lead, coal

Industry:
- Mining
- Production and distribution of electricity, gas and water
- Non-ferrous metallurgy
- Machinery and equipment manufacturing
- Food production

Key areas of cooperation with the Trans-Baikal Territory

Economic
- Bystryinskoye Deposit development
- Social infrastructure development

Social
- Assistance in containing the spread of COVID-19
- Training of mining industry employees
- Improvement of urban areas
- World of New Opportunities charitable programme

Environmental
- Cooperation on environmental protection, preservation of natural ecosystems and landscapes
- Release of the juveniles of valuable fish species into water bodies
- Organisation and backing of environmental campaigns

Key projects in the Trans-Baikal Territory

1. Projects implemented under the Cooperation Agreement with the Trans-Baikal Territory
2. Projects implemented under the Agreement on SME Support in the Trans-Baikal Territory
3. Projects implemented as part of the Programme of Social and Economic Development of the Trans-Baikal Territory in 2017–2026
4. Projects implemented under the Agreement to Support and Develop the Volunteer Movement in the Trans-Baikal Territory
5. First technological cluster for kids in the Trans-Baikal Territory (Chita)

Nornickel’s performance in the Trans-Baikal Territory

- Taxes and other payments: RUB 2 bn
- Headcount: 2,8 thsd employees
- Average monthly salary: RUB 170,4 thsd
- Employee-related social expenses: RUB 94.8 mln

Chita

Key information about the Trans-Baikal Territory:
Other Russian regions

Moscow

- Russian Ice Hockey Federation (partner)
- Russian Futsal Association (general partner)
- CSKA professional basketball club (general sponsor)
- All Russian Federation of DanceSport and Acrobatic Rock’n’Roll (partner)
- Night Hockey League (general partner)
- World Legends Hockey League (partner)
- Russian Curling Federation
- Multimedia Art Museum (patronage assistance)
- Golden Mask theatre festival (partner)

Sochi

- Zapolyare Health Resort
- Rosa Khutor Ski Resort (sponsor)
- Sochi Autodrom
- Corporate sports competitions
The Company’s contribution to the development of local communities

The Group’s key areas of operation in Russia include the cities of Norilsk, Dudinka and Monchegorsk, the Pechengsky District of the Murmansk Region, and the Gazimuro-Zavodsky District of the Trans-Baikal Territory. We make a sizeable contribution to the social and economic development of our regions of operation by implementing a wide range of social and infrastructure projects. We are one of the leaders among Russian metals and mining companies both in terms of absolute social expenses and their share in revenue.

Key focus areas for the development of local communities

### Contribution to economic development
- Budget payments
- Employment of local population
- Cooperation development
- Development of social infrastructure as part of the Group’s operations (power, transport, food retail)

### Infrastructure development
- Bridge and road reconstruction
- Land improvement
- Housing construction
- Construction and reconstruction of healthcare, sports, cultural, entertainment and research facilities
- Provision of access to high-speed internet connection in Norilsk
- Improvement of efficiency of utility services (Smart City initiative)

### Improving the living standards for local communities
- Regular charitable programmes
- Promotion of sports and culture
- Corporate volunteering
- Vocational training sponsorship
- Activities of territorial development agencies

---

1. Charity expenses exclude other social expenses, and accrued social liabilities in the amount of RUB 2.3 bn in 2022 and RUB 4.7 bn in 2021.
2. Starting from 2021, the indicator includes the expenses of the Group’s foreign companies.
3. Investments in socially important infrastructure projects are expenses in the amount of RUB 7.8 bn in 2022A (actual) and RUB 10.9 bn in 2023B (budgeted) related to the GRI 203-1 disclosure standard.
4. COVID-19 expenses include amounts allocated by the Group to prevent and combat the spread of the coronavirus infection.
Contribution to economic development:

### Employment of local population

Nornickel pursues an active employment policy across its key regions of operation. The Company and Nornickel Employment Centre signed an agreement aimed at retraining those out of work for the most in-demand jobs.

We build partnerships with educational organisations, supporting engineering training and boosting interest in blue-collar jobs. One example is GRK Bystrinsky's cooperation with educational institutions in order to build its talent pipeline, with agreements on practical training of students signed with the Taimyr State University, Trans-Baikal Mining College, Chita Technical College of Sectoral Technologies and Business, Trans-Baikal State University, Yrkutsk National Research Technical University, and Siberian Federal University. In 2022, about 100 students were enrolled in Bystrinsky GOK's internship programmes.

Nornickel also provides financial support to Norilsk's institutions of secondary and higher vocational education to the maintenance works, and thus improving the quality of training. The Company actively focuses on the training of specialists for the most in-demand jobs.

Nornickel also supports local suppliers, with agreements on practical training of students and agreements on the training of specialists for the most in-demand jobs.

#### Supporting local suppliers

Nornickel's contribution to the Small and Medium-Sized Businesses and Support for Individual Entrepreneurs national project

**Region of operation**

<table>
<thead>
<tr>
<th>Region of operation</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norilsk</td>
<td>0.7</td>
<td>0.6</td>
<td>1.4</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Tyumyrsk Dolgano-Nenetsky Municipal District</td>
<td>0.9</td>
<td>0.8</td>
<td>1.2</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Krasnoyarsk Territory</td>
<td>0.8</td>
<td>0.8</td>
<td>3.5</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Monchegorsk</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>1.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Zapolamny</td>
<td>2.1</td>
<td>2.0</td>
<td>1.9</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Nickel</td>
<td>2.5</td>
<td>3.3</td>
<td>3.0</td>
<td>2.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Murmansk Region</td>
<td>1.5</td>
<td>1.7</td>
<td>2.7</td>
<td>1.4</td>
<td>0.8</td>
</tr>
</tbody>
</table>

The Company’s regions of operation have consistently low levels of unemployment that saw a y-o-y decline in 2022. The unemployment rate across Russia came in at 3.9% in 2022, way above the level registered in the Company’s regions of operation.²

### Tax and non-tax payments to local, regional and federal budgets (RUB bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal budget of Russia</th>
<th>Krasnoyarsk Territory consolidated budget</th>
<th>Norilsk budget</th>
<th>Murmansk Region budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>109</td>
<td>90</td>
<td>111</td>
<td>120</td>
</tr>
<tr>
<td>2019</td>
<td>82</td>
<td>131</td>
<td>15</td>
<td>287</td>
</tr>
<tr>
<td>2020</td>
<td>34</td>
<td>85</td>
<td>104</td>
<td>279</td>
</tr>
<tr>
<td>2021</td>
<td>8</td>
<td>104</td>
<td>8</td>
<td>273</td>
</tr>
<tr>
<td>2022</td>
<td>1.1</td>
<td>198</td>
<td>11</td>
<td>287</td>
</tr>
</tbody>
</table>

#### Relevant UN SDGs

- **Promotion of entrepreneurship;**
- **Expansion of SMEs' access to financial resources.**
- **Integration of local businesses into the Group’s production chain;**
- **Programme to promote the social and economic development of Taimyr;**
- **World of New Opportunities charitable programme.**

In accordance with the terms of its social and economic cooperation agreements, Nornickel develops mutually beneficial relationships with local businesses in the regions where it operates. The Company actively interacts with local suppliers and contractors, uses domestic technologies to support economic and industrial development in the regions of its operation, and plans to keep doing so going forward.

The integration of local businesses into the Group’s production through long-term contracts results in synergies based on cooperation, which contributes to the economic development of the regions, support for small and medium-sized enterprises in the Krasnoyarsk Territory; Murmansk Region, and Trans-Baikal Territory, and the achievement of SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

---

¹ Tax and non-tax payments include all taxes paid, net of VAT, as well as insurance payments and customs duties.

² As at the end of the reporting year.

Source: Federal State Statistics Service
The number of procurement tenders for goods and services held by the Company in the Krasnoyarsk Territory and the Murmansk Region was up 10.5% y-o-y to 2,556 tenders and up 11.2% y-o-y to 814 tenders respectively. Local businesses won almost 50% of the Nornickel's tenders in the Krasnoyarsk Territory, and 27% of those in the Murmansk Region. The Company’s procurement expenses in 2022 were up 71.6% y-o-y to RUB 58 bn, which was due to both geopolitical challenges and the implementation of large-scale capital construction projects.

The Group's spending on local procurements (RUB bn)

- Procurement tenders held by Polar Division (Krasnoyarsk Territory)
- Procurement tenders held by Kola MMC (Murmansk Region)
- Procurement tenders held by GRK Bystroinskoye (Trans-Baikal Territory)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Krasnoyarsk Territory</td>
<td>22.3</td>
<td>1.6</td>
<td>7.9</td>
</tr>
<tr>
<td>Murmansk Region</td>
<td>29.0</td>
<td>3.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Trans-Baikal Territory</td>
<td>23.4</td>
<td>3.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Krasnoyarsk Territory</td>
<td>51.5</td>
<td>5.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Murmansk Region</td>
<td>38.7</td>
<td>4.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Trans-Baikal Territory</td>
<td>4.8</td>
<td>0.3</td>
<td>0.2</td>
</tr>
</tbody>
</table>

---

Developing local social infrastructure

Nornickel’s contribution to the Housing and Urban Environment national project

- Relevant UN SDGs
- Creating a comfortable urban environment
- Joint efforts of the business and stakeholders make it possible to create a comfortable living environment. Companies become proactively involved in developing single-industry towns, helping them leverage their promising growth drivers and become attractive destinations both socially and business-wise.

- Key initiatives and focus areas
  - Our Home / My Home and Your Home housing programmes
  - Our Home / My Home and Your Home housing programmes
  - Projects to develop infrastructure across the regions of operation
  - Measures to improve reliability of the fibre optic communication line in Norilsk
  - Projects to upgrade power and heat generation, electrical grids and heat networks

- Key initiatives and focus areas
  - For more details, please see the Social Policy section
  - For more details, please see the Climate Change and Energy Efficiency section

- Relevant federal projects
  - Mortgage lending
  - Housing
  - Creating a comfortable urban environment

Joint efforts of the business and stakeholders make it possible to create a comfortable living environment. Companies become proactively involved in developing single-industry towns, helping them leverage their promising growth drivers and become attractive destinations both socially and business-wise.

Creating and developing an accessible and comfortable urban environment for people working and living in the regions where we operate is one of the Company’s priorities that we seek to achieve through social programmes addressing current and future challenges.

Vladimir Potanin, President of MMC Norilsk Nickel
In 2022, the Company continued implementing a four-party Agreement on Cooperation for Comprehensive Social and Economic Development of Norilsk for the period through 2024 and further through 2035.

The Company’s contractor commenced construction of two multi-storey residential buildings located in 50th October Anniversary St. in Norilsk.

Integrated territory development in the Oganesian municipal area of Norilsk (construction of multi-storey residential buildings, a school for up to 1,100 children and a kindergarten).

Construction of four mid-rise residential buildings in the Central District of Norilsk at 29 Laureato St., 31 Laureato St., 23 Pavlova St., and 7/10 Kirova St.

Construction of a polyclinic for 1,500 visits per shift.

Construction of a water intake on the Norilskaya River.

Overhaul of Norilsk’s existing utilities infrastructure.

Construction of a prefabricated fire station in the Oganesian municipal area of Norilsk.

Overhaul of the Integrated Social Service Centre.

The newly overhauled Integrated Social Service Centre features:

- Norilsk Integrated Social Service Centre;
- Victoria Rehabilitation Centre for Disabled Children, Children and Adolescents with Special Needs;
- Norilsk Family and Children Social Support Centre.

In addition, since the launch of the Comprehensive Plan of Social and Economic Development of Norilsk, the Company has financed the design, survey, overhaul and retrofitting of social infrastructure institutions (schools and the Norilsk Industrial Technology and Service College), maintenance of the Norilsk Residential Housing Renovation Fund and research support for permafrost monitoring of soil, buildings and structures. The Company’s total investment in these projects exceeded RUB 1.3 bn.

The integrated facility may now serve more than 6,000 Norilsk residents, offering urgent social care, rehabilitation, courses for family carers (a joint project of the Krasnoyarsk Territory Ministry of Social Policy and a major local pharmacy network Gubernskie Pharmacies), psychological assistance, rental of rehabilitation equipment (wheelchairs and multifunctional beds), etc.

As part of the Agreement, the Russian Government approved a Comprehensive Plan of Social and Economic Development of Norilsk, with the following measured implementation in 2022:

- construction (reconstruction) of residential buildings in the Central District of Norilsk (RUB 66.6 mln allocated by the Company);
- provision of social payments for the purchase of housing to the residents of Norilsk relocating from Russia’s Far North region (RUB 830 mln allocated by the Company);
- thermal stabilisation of soils under apartment buildings and social facilities (RUB 153.8 mln allocated by the Company);
- demolition of three dilapidated residential buildings in multiple occupation (RUB 60 mln allocated by the Company).

The Government approved a Comprehensive Plan of Social and Economic Development of Norilsk for the period through 2024 and further through 2035 (dated 20 February 2021).

The contractor commenced survey and design work for the project facilities.

The contractors commenced survey and design work.

Engineering surveys at the future construction site were completed; architectural and structural designing is underway.

The buildings and structures of the existing water intake were inspected, and engineering and environmental surveys performed. Comprehensive engineering surveys were completed with the main technical solutions developed.

The drafting of design and engineering documents for the overhaul of three city sewers was completed, with the sewer section in Mira St. being the first priority. The overhaul of this section comes as the first stage of a major project implemented by the Norilsk Administration for the creation of a pedestrian shopping area in Mira St. ("Model area").

The newly overhauled Integrated Social Service Centre features:

- Norilsk Integrated Social Service Centre;
- Victoria Rehabilitation Centre for Disabled Children, Children and Adolescents with Special Needs;
- Norilsk Family and Children Social Support Centre.

In addition, since the launch of the Comprehensive Plan of Social and Economic Development of Norilsk, the Company has financed the design, survey, overhaul and retrofitting of social infrastructure institutions (schools and the Norilsk Industrial Technology and Service College), maintenance of the Norilsk Residential Housing Renovation Fund and research support for permafrost monitoring of soil, buildings and structures. The Company’s total investment in these projects exceeded RUB 1.3 bn.

The integrated facility may now serve more than 6,000 Norilsk residents, offering urgent social care, rehabilitation, courses for family carers (a joint project of the Krasnoyarsk Territory Ministry of Social Policy and a major local pharmacy network Gubernskie Pharmacies), psychological assistance, rental of rehabilitation equipment (wheelchairs and multifunctional beds), etc.

As part of the Agreement, the Russian Government approved a Comprehensive Plan of Social and Economic Development of Norilsk, with the following measured implementation in 2022:

- construction (reconstruction) of residential buildings in the Central District of Norilsk (RUB 66.6 mln allocated by the Company);
- provision of social payments for the purchase of housing to the residents of Norilsk relocating from Russia’s Far North region (RUB 830 mln allocated by the Company);
- thermal stabilisation of soils under apartment buildings and social facilities (RUB 153.8 mln allocated by the Company);
- demolition of three dilapidated residential buildings in multiple occupation (RUB 60 mln allocated by the Company).

The Government approved a Comprehensive Plan of Social and Economic Development of Norilsk for the period through 2024 and further through 2035 (dated 20 February 2021).

The contractor commenced survey and design work for the project facilities.

The contractors commenced survey and design work.

Engineering surveys at the future construction site were completed; architectural and structural designing is underway.

The buildings and structures of the existing water intake were inspected, and engineering and environmental surveys performed. Comprehensive engineering surveys were completed with the main technical solutions developed.

The drafting of design and engineering documents for the overhaul of three city sewers was completed, with the sewer section in Mira St. being the first priority. The overhaul of this section comes as the first stage of a major project implemented by the Norilsk Administration for the creation of a pedestrian shopping area in Mira St. ("Model area").

The newly overhauled Integrated Social Service Centre features:

- Norilsk Integrated Social Service Centre;
- Victoria Rehabilitation Centre for Disabled Children, Children and Adolescents with Special Needs;
- Norilsk Family and Children Social Support Centre.

In addition, since the launch of the Comprehensive Plan of Social and Economic Development of Norilsk, the Company has financed the design, survey, overhaul and retrofitting of social infrastructure institutions (schools and the Norilsk Industrial Technology and Service College), maintenance of the Norilsk Residential Housing Renovation Fund and research support for permafrost monitoring of soil, buildings and structures. The Company’s total investment in these projects exceeded RUB 1.3 bn.

The integrated facility may now serve more than 6,000 Norilsk residents, offering urgent social care, rehabilitation, courses for family carers (a joint project of the Krasnoyarsk Territory Ministry of Social Policy and a major local pharmacy network Gubernskie Pharmacies), psychological assistance, rental of rehabilitation equipment (wheelchairs and multifunctional beds), etc.

As part of the Agreement, the Russian Government approved a Comprehensive Plan of Social and Economic Development of Norilsk, with the following measured implementation in 2022:

- construction (reconstruction) of residential buildings in the Central District of Norilsk (RUB 66.6 mln allocated by the Company);
- provision of social payments for the purchase of housing to the residents of Norilsk relocating from Russia’s Far North region (RUB 830 mln allocated by the Company);
- thermal stabilisation of soils under apartment buildings and social facilities (RUB 153.8 mln allocated by the Company);
- demolition of three dilapidated residential buildings in multiple occupation (RUB 60 mln allocated by the Company).

The Government approved a Comprehensive Plan of Social and Economic Development of Norilsk for the period through 2024 and further through 2035 (dated 20 February 2021).

The contractor commenced survey and design work for the project facilities.

The contractors commenced survey and design work.

Engineering surveys at the future construction site were completed; architectural and structural designing is underway.

The buildings and structures of the existing water intake were inspected, and engineering and environmental surveys performed. Comprehensive engineering surveys were completed with the main technical solutions developed.

The drafting of design and engineering documents for the overhaul of three city sewers was completed, with the sewer section in Mira St. being the first priority. The overhaul of this section comes as the first stage of a major project implemented by the Norilsk Administration for the creation of a pedestrian shopping area in Mira St. ("Model area").

The newly overhauled Integrated Social Service Centre features:

- Norilsk Integrated Social Service Centre;
- Victoria Rehabilitation Centre for Disabled Children, Children and Adolescents with Special Needs;
- Norilsk Family and Children Social Support Centre.

In addition, since the launch of the Comprehensive Plan of Social and Economic Development of Norilsk, the Company has financed the design, survey, overhaul and retrofitting of social infrastructure institutions (schools and the Norilsk Industrial Technology and Service College), maintenance of the Norilsk Residential Housing Renovation Fund and research support for permafrost monitoring of soil, buildings and structures. The Company’s total investment in these projects exceeded RUB 1.3 bn.

The integrated facility may now serve more than 6,000 Norilsk residents, offering urgent social care, rehabilitation, courses for family carers (a joint project of the Krasnoyarsk Territory Ministry of Social Policy and a major local pharmacy network Gubernskie Pharmacies), psychological assistance, rental of rehabilitation equipment (wheelchairs and multifunctional beds), etc.
In 2022, the statements of work for the design and engineering surveys to implement these initiatives were drafted, with the design work now underway for all the facilities. The Company’s total costs to finance these projects amounted to RUB 15.5 mln.

In addition, the Company financed further initiatives aimed at the social and economic development of the city and implemented at the request of the Norilsk Administration, including:

- survey and design work for the construction of residential buildings replacing demolished soviet-era buildings; and
- repairs of dilapidated roofs and porches of two schools;
- repairs of the roof of the Norilsk Industrial Engineering and Service College;
- upgrade of the heat and water supply and sewage utilities for the construction of a new polyclinic;
- research support for permafrost monitoring of soils and structures for 57 buildings;
- maintenance of the Norilsk Residential Housing Renovation Fund.

The total financing provided by the Company as per the case-by-case requests of the Norilsk Administration amounted to RUB 623 mln.

In 2022, the Krasnoyarsk Territory Government, the Norilsk Administration and Nornickel entered into a memorandum of intent to upgrade healthcare facilities in Norilsk. As part of the initiatives included in the memorandum, the Company allocated RUB 300 mln for the repairs and purchase of equipment for healthcare facilities in line with the approved updated priority list.

Nornickel’s Polar Division implemented a number of projects aimed at sustainable social development of Norilsk and Dudinka; in 2022, additional funds were allocated to provide healthcare facilities with privately owned vehicles for home visit appointments;

- development of the Norilsk Production Association for Passenger Transport with a view to maintaining and expanding the existing regular passenger bus services in Norilsk;
- distribution of food certificates to low-income households as per the request of the city Mayor;
- purchase of equipment (appliances) and furniture for the kitchen of the Norilsk Orphanage;
- repairing and fitting out the residential premises at the disposal of the Fedorovsky Polytechnic College of the Fedorovsky Polar State University;
- developing the material, technical and academic potential of Norilsk’s educational institutions;
- improvement of the yard at 10 Leninsky Prospekt, which has an architectural heritage status;
- upgrading the hockey ice rink of the Arktika Sports and Recreation Centre and providing hockey teams with hockey uniforms and gear;
- building school/church work teams, supporting their activities in the summer of 2022 and proceeding with preparations for the summer of 2023;
- repairing, upgrading and/or constructing the utilities infrastructure in Norilsk as part of the municipal Programme to Upgrade the Utilities Infrastructure and Improve Energy Efficiency;
- design work for the upgrade of the dilapidated main sewer along Ozeraya St. in the Oganer municipal area of Norilsk in order to ensure it can properly serve all the facilities planned for construction;
- projects and programmes implemented jointly with non-profit, public and religious organisations of Norilsk, and as part of the Secure City initiative;
- projects and programmes run in partnership with the Dudinka Administration, regional and federal public institutions operating in Taimyr, and non-profit organisations, as well support for the development of Tazovsky and Turukhansky districts, including:
  - construction of a prefabricated building in Dudinka for emergency rescue services, and the purchase of equipment and other inventory for the Dudinka Arctic Search and Rescue Unit;
  - preparing and carrying out activities to arrange summer employment opportunities for the youth in the Taimyrsky Dolgano-Nenetsky Municipal District;
  - organising and preparing for the international curling tournament in Dudinka;
  - organising and preparing for the festivities to mark the 85th anniversary of the Taimyr Museum of Local History and the 85th anniversary of the Dudinka port;
  - repairing the obelisk commemorating the 50th anniversary of Soviet power and the monument to Vladimir Lenin located on Dudinka’s Embankment Square;
  - purchase of sports gear and technical equipment for the Neskuk Secondary Boarding School.

In 2022, the Company supported the following projects in Krasnoyarsk aimed at promoting culture, arts and a healthy lifestyle locally:

- a contest for professional architects and design companies to develop a concept for the renovation of the Krasnoyarsk State Opera and Ballet Theatre and the development of the adjacent territory. Nornickel acted as a financial partner of the contest, with its representatives sitting on the jury;
- purchasing new musical instruments for the Krasnoyarsk Academic Symphony Orchestra of Krasnoyarsk Regional Philharmonia. The Company allocated RUB 210 mln for this purpose in 2021–2022, making it possible to fully renew the set of musical instruments used by the region’s main orchestra;
- building the Yudinskaya Valley eco-park in Krasnoyarsk, a new recreational area in the vicinity of the Krasnoyarsk Region’s administrative centre, in the depth of a natural forest. The creation of the eco-park is being financed entirely through the Company’s charitable donations; and
- development of a strategic master plan of the Krasnoyarsk metropolitan area until 2035. The master plan covers the territory of Krasnoyarsk, its suburbs and satellite towns.

In 2022, the Company continued implementing the cooperation agreement between the Government of the Murmansk Region and Nornickel to foster the development of the Murmansk Region and enhance its attractiveness for tourists and investors. Public-private and municipal-private partnership projects were chosen as the key instruments to implement the cooperation agreement.

As part of the agreement, in 2020–2022 Nornickel supports healthcare, culture, education and sports projects, as well as measures to improve the urban environment in Monchegorsk, Zapolyarny and Nickel.

To improve the well-being of residents and ensure its sustainable development, Nornickel participated in developing the Programme for Social and Economic Development of the Pechenga Municipal District for 2023–2025. It envisages 50 initiatives across four main focus areas: new economy, social sector, housing and infrastructure upgrades, and comfortable urban environment.
Initiatives implemented in 2022 as part of the Pechengsky Municipal District Social and Economic Development Programme (with support of the Second School Centre for Community Initiatives)

**Initiatives** | **Financing (RUB mln)**
--- | ---
Signing of the agreement to develop design and cost estimate documents for the reconstruction of a water intake in Nickel | 15
Establishment of the Tourist Information Centre in the Pechengsky Municipal District | 2
Development of a programme to implement the Nickel master plan in terms of residential quarters renovation | 7
Development of a programme to upgrade and enhance the healthcare system in the Pechengsky Municipal District | 15

Nornickel Group actively participates in the life of local communities across the municipalities of its operation in the Murmansk Region by implementing social, cultural, housing, and other development projects. In 2022, we completed the following initiatives:

- implementation of public space improvement projects in Monchegorsk (RUB 144.5 mln);
- drafting of design and estimate documents for the construction of healthcare facilities in the Murmansk Region (RUB 70 million);
- implementation of sports facilities in Monchegorsk (RUB 35 mln);
- signing of the agreement to develop design and cost estimate documents for the construction of social facilities in the municipalities of the Pechengsky District (RUB 15 mln).

In 2022, we continued implementing the Social and Economic Cooperation Agreement between the Trans-Baikal Territory Government and Nornickel.

**Trans-Baikal Territory**

GKR Bystrinskye strongly supports the development of the Trans-Baikal Territory by implementing social programmes and projects that contribute to the sustainable growth of the region.

Initiatives implemented as part of the Social and Economic Cooperation Agreement in 2022:
- implementation of priority culture, education, and utilities projects and initiatives in the Gazimuro-Zavodsky District;
- the 9th Trans-Baikal International Film Festival, Russian Boxing Championship, and Oleg Lundstrem Jazz Festival commemorating the 100th anniversary of the arrival of jazz in Russia financed jointly with the Trans-Baikal Territory Government;
- drafting of research-based design documents for the restoration of the Church of the Assumption of the Blessed Virgin Mary in the village of Kalinino, Nерчинский District, which was declared a federal cultural site in 2022;
- promoting children's and youth sports to support athletes in achieving new levels of sports excellence;
- financing the Rugby Federation of the Trans-Baikal Territory;
- building of new multi-purpose sports grounds at the Trans-Baikal Teachers College, Trade and Culinary School, and the Chita Centre for Children without Parental Care;
- share-based financing of the Young Geologist club activities aimed at promoting the profession of geologist among children and teenagers.

Interaction with indigenous minorities

The Company’s first-ever Free, Prior, and Informed Consent (FPIC) process for representatives of indigenous minorities in the settlement of Tul'kand was launched.

The programme aimed primarily at supporting and developing traditional livelihoods, enhancing housing, social and medical infrastructure in the settlements as well as promoting education, science and culture, was underway.

No violations of the indigenous minorities’ rights were recorded.

The Company has adopted the Indigenous Peoples’ Rights Policy that defines Nornickel’s key commitments in this aspect. The policy is based on principles and rules of international law, the Constitution, federal laws and international treaties of the Russian Federation.

Nornickel respects the rights of indigenous peoples which derive from their political, economic and social structures and from their cultures, spiritual traditions, histories and philosophies, especially their rights to their lands, territories and resources. The Company directs its efforts towards strengthening and developing neighbourly relations with indigenous minorities in the regions of operation:
- in the Taimyrsky Dolgano-Nenetsky Municipal District, the Company interacts with representatives of all the indigenous minorities, including Nenets, Dolgans, Nganasans, Evenets and Evenks, and manages the relationship with their associations of Taimyr;
- on the Kola Peninsula, Nornickel works together with the Kola Sámi Association.

The Company has adopted the Indigenous Peoples’ Rights Policy that defines Nornickel’s key commitments in this aspect. The policy is based on principles and rules of international law, the Constitution, federal laws and international treaties of the Russian Federation.

Enets and Evenks, and manages the relationship with their associations of Taimyr.
Key principles, standards and regulations

Key documents

- United Nations Declaration on the Rights of Indigenous Peoples
- ILO’s Indigenous and Tribal Peoples Convention
- Russian Arctic Resident Responsibility Standard of the Ministry for the Development of the Far East and the Arctic Regions
- World Bank and International Finance Corporation performance standards concerning indigenous peoples
- PJSC MMC Norilsk Nickel’s Indigenous Rights Policy

The Company’s principles in dealing with the indigenous northern minorities

- Providing social support to indigenous peoples with a view to achieving modern living standards
- Ensuring inclusive participation of indigenous peoples in making decisions on support programmes
- Protecting the sanctity of indigenous places of worship and holy places
- Helping to preserve indigenous traditions
- Supporting indigenous practices of using natural resources
- Engaging in renewable biological resources restoration programmes
- Respecting the FPIC right
- Respecting indigenous lands
- Promoting indigenous trades
Responsibilities in interacting with indigenous northern minorities

Board of Directors

- Approves the Indigenous Peoples' Rights Policy of the Company (on interaction and cooperation with indigenous peoples of the North)
- Approves Norilsk Nickel's Sustainability Report which, among other things, contains the information on interaction with the indigenous northern minorities
- Provides the Board of Directors with an opinion on the effectiveness and quality of the key projects developed and implemented in respect of the Indigenous northern minorities
- Monitors the quality and effectiveness of any major amendments made to the strategies, goals, programmes, projects, and other important initiatives approved in the area of respecting and protecting the rights of the Indigenous northern minorities
- Drafts recommendations for the Board of Directors on the implementation of regulatory and legislative instruments, standards, and association requirements in the field of respecting and protecting the rights of the Indigenous northern minorities
- Analyses the viability of entering into partnership agreements with Indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents
- Studies the social and economic landscape of Indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with Indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel

Sustainable Development and Climate Change Committee of the Company’s Board of Directors

- Provides the Board of Directors with an opinion on the effectiveness and quality of the key projects developed and implemented in respect of the Indigenous northern minorities
- Monitors the quality and effectiveness of any major amendments made to the strategies, goals, programmes, projects, and other important initiatives approved in the area of respecting and protecting the rights of the Indigenous northern minorities
- Drafts recommendations for the Board of Directors on the implementation of regulatory and legislative instruments, standards, and association requirements in the field of respecting and protecting the rights of the Indigenous northern minorities
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel

Federal and Regional Programmes Department

- Reviews the implementation of the Taimyr social and economic development programme
- Participates in the development of social design proposals in Taimyr as part of Norilsk nickel's projects
- Develops practices and standards for engagement between an industrial company and local communities
- Monitors and analyses changes in legislation and international standards in the field of sustainable development
- Provides methodological support, conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan, and develops this plan
- Analyses the viability of entering into partnership agreements with Indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents
- Studies the social and economic landscape of Indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with Indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel

Sustainable Development Department

- Monitors and analyses changes in legislation and international standards in the field of sustainable development
- Provides methodological support, conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan, and develops this plan
- Analyses the viability of entering into partnership agreements with Indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents
- Studies the social and economic landscape of Indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with Indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel

Coordinating Council of MMC Norilsk Nickel for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities

- Reviews the implementation of the Taimyr social and economic development programme
- Participates in the development of social design proposals in Taimyr as part of Norilsk nickel's projects
- Develops practices and standards for engagement between an industrial company and local communities
- Monitors and analyses changes in legislation and international standards in the field of sustainable development
- Provides methodological support, conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan, and develops this plan
- Analyses the viability of entering into partnership agreements with Indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents
- Studies the social and economic landscape of Indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with Indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel

Internal Control Department

- Handles complaints and petitions of the Indigenous northern minorities through the Corporate Trust Service, monitors the status of control activities
- Monitors and analyses changes in legislation and international standards in the field of sustainable development
- Provides methodological support, conducts stakeholder analysis for inclusion in the Stakeholder Engagement Plan, and develops this plan
- Analyses the viability of entering into partnership agreements with Indigenous northern minorities and directly interacts with such minorities, their representatives, opinion leaders and economic agents
- Studies the social and economic landscape of Indigenous peoples and the impact of economic, environmental and biodiversity factors on their sustainable development
- Assesses international practices for engagement with Indigenous peoples
- Analyses issues considered at events, participates in consideration and resolution of the Indigenous northern minorities' complaints and petitions
- Coordinates interaction with the Indigenous northern minorities during the development and implementation of sustainability programmes and projects and at the stage of proposal collection
- Implements due diligence procedures and ensures inclusive participation of Indigenous peoples in making decisions on drafting and implementing support programmes. Forges engagement with Indigenous peoples to establish procedures for Indigenous participation and representation in interactions with Norilsk Nickel
Public discussions of projects with representatives of indigenous northern minorities
According to the international and Russian laws, making decisions to proceed with projected activities requires identifying and taking into account the opinions of stakeholders (including indigenous northern minorities whose interests can be potentially affected). To this end, environmental impact assessment (EIA) is conducted to help prevent or mitigate environmental impact and associated social, economic and other implications.

EIA materials, including incoming comments and proposals, are added to the documents submitted for a state environmental review, which is a mandatory procedure in Russia to receive an official approval before a project is launched.

Providing information and EIA materials 30 days prior to the end of public hearings

Holding public hearings

Preparing final minutes

Handling comments and proposals

Submitting materials for state review

Procedure for public discussions

Activities of the Coordinating Council of MMC Norilsk Nickel for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities

In order to effectively interact with indigenous minorities of Taimyr, facilitate constructive dialogue based on the parties’ mutual respect, and offer targeted assistance to indigenous peoples, the Company has established and supports the Coordinating Council for Interacting with Family (Tribal) Communities of Indigenous Northern Minorities. The minorities, now consisting of 53 communities, have traditional livelihoods in Taimyr settlements, bringing affordable healthcare, developing education, culture, sports and tourism. The funding of the Programme totals RUB 2 bln.

The Company’s new format of direct and constructive dialogue with the communities of indigenous northern minorities has significantly contributed to expanding the scope of interaction and facilitated its steady development. This includes improving the infrastructure of settlements as well as enhancing the economy of the communities by launching new production operations, based on traditional practices of using natural resources.

Free, Prior and Informed Consent process

Fine-tuning the formats of interaction with indigenous northern minorities, Norilsk was the first company to launch the Free, Prior and Informed Consent (FPIC) process in the Russian Arctic with respect to the Tukhard relocation and development programme. In order to improve the housing conditions in Tukhard, the Company proposed considering the construction of a new settlement and the residents’ relocation there. Although the FPIC process is not directly integrated into the national laws of the Russian Federation, Norilsk nickel came up with a solution to address the relocation issue in accordance with the international standards set out in the UN Declaration on the Rights of Indigenous Peoples. Tukhard residents agreed to join the FPIC process subject to certain conditions. These involved decision making on the relocation, choosing the site for their new settlement and determining its social infrastructure, selecting the best architectural designs as part of an architectural competition, as well as participating in all stages of the relocation programme through the elected Council of Representatives of the settlement residents.

The Company plans to roll out this practice and obtain the FPIC of representatives of indigenous northern minorities living in the Lovozero District of the Murmansk Region as regards the development of the Kolmoaarskiye lithium deposit.

1 Order of the Ministry of Natural Resources No. 999 dated 1 December 2020 On Approving Requirements for Materials Used in Environmental Impact Assessment
The winners embarked on the projects in June 2021 and delivered them by November 2022. The funding totaled RUB 46.1 mln covering 28 social projects. The success of the first project competition in 2021–2022 proves the initiative to be relevant and sought after.

For more details, please see the World of New Opportunities – Charitable programme section.

Interaction with indigenous minorities in the Murmansk Region
Nonceric held prior task force consultations with representatives of indigenous minorities in Lovozero and Krasnokhotyle of the Murmansk Region to enable two-way communication between the Company and indigenous minorities, to inform representatives of local communities about the upcoming project on development of the Kolmohoreli Lithium deposit in the Murmansk Region and further processing of lithium feedstock.

The communication involved the Sámi, Nanets and Komi as well as representatives of reindeer herding farms and independent experts in the rights of indigenous minorities.

The parties discussed the main approaches to ethnographic and sociological research, as Nonceric confirmed its intention to promptly collect and verify all possible information about entities, nature and scale of traditional livelihoods, sacred sites and burials, to identify the pool of persons potentially affected by the project and to make detailed maps of the territory. The research will involve leading research institutions and cooperation with indigenous minorities.

The Company’s planned approach to dealing with the indigenous northern minorities will help protect the rights and prioritise the interests of indigenous minorities in the region. There is a lot of work dedicated to promoting sustainable development of territories historically inhabited by indigenous minorities of the peninsula. A special feature of the competition is the grant funding system which welcomes only the indigenous minorities of Taimyr and non-profit organisations implementing projects in the interests of indigenous peoples.
Transport accessibility in remote locations

Our transportation and logistics assets:

- **Arc7 Arctic fleet**: 5 dry cargo vessels and 1 tanker, 2 port icebreakers (Dudinka and Avraami Zavenyagin)
- **River fleet**: 633 vessels (200 self-propelled vessels and 433 towed vessels), including the active core fleet of 415 vessels (131 self-propelled vessels and 284 towed vessels)

Traction and rolling stock: 117 container flatcars, 2 switch locomotives, 1 switch locotractor

Port infrastructure for transshipment of cargo of all types (including dry bulk and heavy lift) from any means of transport, including a site for processing explosives (one of a kind for the Yenisey river)

 Ahead of us on discussing the project details and reaching an agreement with the Sámi and the Nenets and Komi reindeer herders, who could potentially be affected by the project. The Company finds it important to factor in and minimise any and all potential adverse consequences of the project for the indigenous peoples of the region. Nornickel has extensive experience in supporting reindeer herding in Taimyr, and this knowledge and competencies will be also relevant in the Murmansk Region when implementing the lithium deposit development project.

At the moment, we are shaping up a system for interacting with indigenous northern minorities in the Murmansk Region at the sites of the Kola Division and Kola MMC. In particular, we have signed the Cooperation Agreement between the Kola Sámi Association of the Murmansk Region and PJSC MMC Norilsk Nickel. In 2022, according to the above agreement, the Company supported the Sámi people in developing their culture and preserving their traditional lifestyle relying on the best practice that proved effective on the Taimyr Peninsula. Nornickel, in particular, provided funding to prepare a single Sámi alphabet, publish pre-school Sámi language textbooks and arrange an open-air Sámi museum in Murmansk. The *World of New Opportunities* programme is also vital in supporting indigenous northern minorities. The programme focuses on implementing public projects and initiatives as well as fostering social competencies of local communities.

According to the above agreement, the Company supported the Sámi people in developing their culture and preserving their traditional lifestyle relying on the best practice that proved effective on the Taimyr Peninsula. Nornickel, in particular, provided funding to prepare a single Sámi alphabet, publish pre-school Sámi language textbooks and arrange an open-air Sámi museum in Murmansk. The *World of New Opportunities* programme is also vital in supporting indigenous northern minorities. The programme focuses on implementing public projects and initiatives as well as fostering social competencies of local communities.
Nornickel’s contribution to the Comprehensive Plan for Upgrading and Expanding Core Infrastructure national project

**Key initiatives and focus areas**

- Provision of year-round freight shipping services between seaports as well as transportation and handling of cargoes in the Arctic region;
- Operation and maintenance of railway infrastructure, with transport accessibility ensured in remote locations;
- Development of passenger transportation in the local regions of operation.

**Related federal projects**

- Russia’s seaports;
- Northern Sea Route;
- Railway transport and transit transportation;
- Regional airports and routes;
- Internal water routes.

**Relevant UN SDGs**

- Increase in economic growth and development of remote coastal areas.
- Development of passenger transportation in the local regions of operation.
- Improvement of the quality of people’s life in the Arctic.
- Improvement of social and environmental conditions in the Arctic.
- Development of safe internal water routes.

**Aviation**

In March 2022, we closed the sale of 100% shares of NordStar Airlines, previously a subsidiary of MMC Norilsk Nickel, to the airline’s management pursuant to the Company’s decision to focus on the core business. With a view to maintaining reliable and uninterrupted air travel to and from the Norilsk Industrial District, key conditions of the transaction included ensuring seamless air travel to and from Norilsk, completing 100% of the flight programme, and following the terms of the agreement on the base air carrier of Norilsk Airport.

**Railway transportation**

Bystinsky Transport Division is responsible for the entire cargo traffic of concentrates produced by the concentrator as well as the maintenance of the 227 km Nayan (Borzya) – Gazimurskyi Zavod railway line (Trans-Baikal Territory). In May 2022, the line saw a record high transportation volume of more than 300,000 t. Following the Company’s decision, the division became part of Trans-Baikal Division. The Company plans to ramp up the transportation volume and complete the construction of a railway line connecting to the tracks of the Borzya railway station, which will reduce the train dispatch time.
In order to create a favourable climate for sustainable development across the regions of its operation, the Company runs the World of New Opportunities charitable programme, with a focus on supporting and promoting public initiatives, developing social partnerships, new social technologies and soft skills among local communities.

In 2022, Nornickel ran online, offline and phygital activities as part of the programme using a World of New Opportunities application, online platforms and other tools. The online space allows you to promptly inform participants about events, take part in interactive events (quizzes, surveys), and facilitate communication in the community.

Key initiatives and focus areas

- Covering round-trip travel to a holiday destination for employees in the Far North and equivalent areas, and their families, including associated baggage fees.

- Projects of the Norilsk Development Agency, the Monchegorsk Development Agency and the Second School Centre to promote tourism and recreation initiatives.

- For more details, please see the Social Policy section.

- For more details, please see the Corporate Volunteering section.

- For more details, please see the Sports sponsorship and the Sporting and mass public events programme sections.

The Company’s activities in improving the well-being of local communities focus on developing human potential, meeting physical, social and spiritual needs of people in the regions of operation, and creating comfortable living conditions. We conduct surveys of local communities, study feedback and, when running activities in the regions of operation, take into account interests, views and preferences of local residents, as well as their history, culture, traditions, lifestyle and heritage.

In 2022, Nornickel’s key programmes aimed at improving the well-being of local communities included:

- World of New Opportunities charitable programme;
- Plant of Goodness corporate volunteering programme;
- For more details, please see the Corporate Volunteering section.
- World of New Opportunities charitable programme;
- Plant of Goodness corporate volunteering programme;
- For more details, please see the Corporate Volunteering section.
- Support of public initiatives and development of local territories through building partnerships
- We Are the City! social technologies forum
- We Are the City! social engineering workshop
- We Are the City! picnic
- Mobile E-education digital learning platform in the Murmansk Region
- School Break educational project
- We Are the City! social engineering workshop
- We Are the City! picnic
- Mobile E-education digital learning platform in the Murmansk Region
- School Break educational project
- Support of professional sports
- For more details, please see the Sports sponsorship and the Sporting and mass public events programme sections.

World of New Opportunities charitable programme

In 2022, approximately 40,000 people from the Company’s regions of operation took part in the World of New Opportunities events. The Company allocated RUB 382.6 mln for the World of New Opportunities programme.

Key initiatives and focus areas

- Covering round-trip travel to a holiday destination for employees in the Far North and equivalent areas, and their families, including associated baggage fees.

- Projects of the Norilsk Development Agency, the Monchegorsk Development Agency and the Second School Centre to promote tourism and recreation initiatives.

- For more details, please see the Social Policy section.

- For more details, please see the Corporate Volunteering section.

- For more details, please see the Sports sponsorship and the Sporting and mass public events programme sections.

The Company’s activities in improving the well-being of local communities focus on developing human potential, meeting physical, social and spiritual needs of people in the regions of operation, and creating comfortable living conditions. We conduct surveys of local communities, study feedback and, when running activities in the regions of operation, take into account interests, views and preferences of local residents, as well as their history, culture, traditions, lifestyle and heritage.

In 2022, Nornickel’s key programmes aimed at improving the well-being of local communities included:

- World of New Opportunities charitable programme;
- Plant of Goodness corporate volunteering programme;
- For more details, please see the Corporate Volunteering section.
- World of New Opportunities charitable programme;
- Plant of Goodness corporate volunteering programme;
- For more details, please see the Corporate Volunteering section.
- Support of public initiatives and development of local territories through building partnerships
- We Are the City! social technologies forum
- We Are the City! social engineering workshop
- We Are the City! picnic
- Mobile E-education digital learning platform in the Murmansk Region
- School Break educational project
- Support of professional sports
- For more details, please see the Sports sponsorship and the Sporting and mass public events programme sections. 
The projects and activities are implemented using an ecosystem of interdependent components: education – expert community – support for initiatives. A systemic approach to dealing with the local community brings about steadfast results such as advancing competencies, promoting new social technologies, supporting public initiatives, as well as rolling the experience out through national and regional expert platforms. Experts and the Company’s employees witness positive results of the created ecosystem.

We Are the City! social technologies forum

The city event brings together stakeholders to discuss mechanisms of addressing social issues in the regions of operation, analyse trends and best practices in charity and volunteer initiatives, and exchange successful solutions to social issues.

The key theme at the 8th Forum in 2022 was Sustainable cities amid turbulence. The Forum events (including talk shows, the Norilik on the World Map futuristic hackathon, etc.) brought together experts and other participants, who discussed development prospects, trends and tendencies both for the regions and the Company, analysed professional and personal strategies and new technologies, presented projects of territorial development, shared experience in unmanaged territories, navigation solutions and pit stops in transport logistics in Talym; constructing waste processing plants, etc.; and exchanged experience.

The forum was attended by more than 500 active citizens.

Socially Responsible Initiatives competition

To support public initiatives in the sustainable development of local communities, the Company stages the annual Socially Responsible Initiatives competition.

Since the project’s inception, the competition registered 3,885 applications, out of which 749 were selected for funding, with a total of RUB 822.5 mln allocated by the Company.

In 2022, Norilskii announced its support to 106 public benefit initiatives from Norilsk and the Taimyrsk Dolgano-Nenetstky Municipal District (Krasnoyarsk Region), from Monchegorsk and the Pechengsky District (Murmansk Region), and from Chita and the Gazmurov-Zavodsky District (Trans-Baikal Territory). The pool of grants totalled RUB 154 mln. The projects will be implemented in 2023–2024.

The winners’ initiatives cover various facets of community life in the regions, such as opening an interactive children’s climbing wall, creating a state-of-the-art centre for environmental education and tourism, holding a robotics competition for children, running a career guidance club and helping navigate a professional journey, collecting and recycling waste and garbage in the tundra.

In 2022, the programme first included a Sustainable Development Goals and Local Community module to bring the 2030 Agenda home to the attendees. The experts drew the participants’ attention to three key components of sustainable development, i.e. environmental, social and governance aspects.

1. The main idea of We Are the City! is to offer city residents a platform for communicating and bonding, promoting a healthy lifestyle, presenting social projects and initiatives to foster responsible consumption, and proposing environmental solutions in Norilsk, Monchegorsk, Zapolyarny and Chita.

2. In 2022, the project attracted more than 15,000 residents and included various activities such as sports grounds, creative workshops, flashmobs, etc. 415 people participated in the Walk to Do Good challenge, 4.5 t of recyclable materials were collected and handed over for processing, and 396 km of waste were collected and processed. The School Break education platform in the Murmansk Region.

We Are the City! social engineering workshop

The workshop welcomes participants for a three-day training course to take them all the way through from generating an idea to implementing a project. The main impact of the event is to demonstrate that every single person can make a difference for the quality of environment and the quality of life.

We Are the City! picnic

The nominations cover various aspects of life such as developing traditional livelihoods, fostering online education, preserving and reviving languages and cultural heritage, identifying and supporting gifted children, etc.

The competition registered 84 applications, out of which 28 were selected for funding, with a total of RUB 461 mln in funding. The grants ended up going to six projects by family (tribal) communities, two projects by non-profit organisations, and 20 projects by municipal and public institutions.

The selected outstanding projects, unique in terms of the content and impact on the target group, include School of Drone Racing N 72, Legends of the Avan Tundra; Ust-Avat; Volochanka, Mission: Clean Shores, etc.

In December 2022, Norilskii announced another launch of the World of Taimyr project competition, with projects to be implemented in 2023–2024.

Travel grant competition

The competition focuses on bringing in new social technologies and practises to the regions of the Company’s operation, implementing public initiatives, rolling out successful experience, enhancing professional competencies, strengthening social partnerships and interregional ties.

As an outcome of the competition, 81 people from Norilsk, Taimyr and the Murmansk Region received grants for a total of RUB 9.4 mln.

Teachers, schoolchildren, athletes, public figures and entrepreneurs had the opportunity to complete internships and advanced training courses in Moscow, St. Petersburg, Krasnoyarsk, Novosibirsk, Sochi, Penza, and Khanty-Mansiysk.

School Break educational project

The winners’ initiatives cover various aspects of life such as developing traditional livelihoods, fostering online education, preserving and reviving languages and cultural heritage, identifying and supporting gifted children, etc.

The competition registered 84 applications, out of which 28 were selected for funding, with a total of RUB 461 mln in funding. The grants ended up going to six projects by family (tribal) communities, two projects by non-profit organisations, and 20 projects by municipal and public institutions.

The selected outstanding projects, unique in terms of the content and impact on the target group, include School of Drone Racing N 72, Legends of the Avan Tundra; Ust-Avat; Volochanka, Mission: Clean Shores, etc.

In December 2022, Norilskii announced another launch of the World of Taimyr project competition, with projects to be implemented in 2023–2024.

1. The main idea of We Are the City! is to offer city residents a platform for communicating and bonding, promoting a healthy lifestyle, presenting social projects and initiatives to foster responsible consumption, and proposing environmental solutions in Norilsk, Monchegorsk, Zapolyarny and Chita.

2. In 2022, the project attracted more than 15,000 residents and included various activities such as sports grounds, creative workshops, flashmobs, etc. 415 people participated in the Walk to Do Good challenge, 4.5 t of recyclable materials were collected and handed over for processing, and 396 km of waste were collected and processed. The School Break education platform in the Murmansk Region.

We Are the City! social engineering workshop

The workshop welcomes participants for a three-day training course to take them all the way through from generating an idea to implementing a project. The main impact of the event is to demonstrate that every single person can make a difference for the quality of environment and the quality of life.

World of Taimyr project competition

In 2020, the Company piloted the World of Taimyr project competition designed to improve the education process. In 2022, the project attracted 2,142 people from 13 localities and included the following initiatives:

1. a series of offline educational modules for teachers and schoolchildren in remote areas (Putorano, Ust-Port, Khantga and Dudinka);
2. interaction with graduates and young professionals to provide information and career guidance. The initiatives helped make school a fully-fledged element of the School-University-Business educational cluster;
3. School Break urban marathon focused on introducing schoolchildren to practices of social design and change of the urban environment. During 88 days, 27 school teams were developing project ideas, visiting non-profit organisations, and communicating with corporate volunteers and the Company’s employees.

The best marathon teams had an opportunity to take part in the summer academy;
The key idea of the IMAKE marathon is to foster and promote engineering and creative potential in children and adolescents, as well as shape up a community of aspiring engineers and scientists. The project helps build interaction of inventors, industrial companies, students and postgraduates, schoolchildren and teenagers which provides an opportunity for intersectoral interaction of inventors, industrial companies and investors for the joint development of future technologies.

The event was organised by the Ministry of Industry and Trade of the Russian Federation, the Government of the Novosibirsk Region and MMC Norilsk Nickel in collaboration with international and Russian partners such as International Federation of Inventors’ Associations (IFIA), the Centre for International Industrial Cooperation of UNIDO in the Russian Federation, Stoedtsey & Partners, an intellectual property law company, etc.

In 2022, the IN'HUB project included the following initiatives:
- The inventive projects competition allows experienced and novice inventors with breakthrough ideas to present an innovative project to potential investors, get recommendations and advice from an expert jury, take part in a world-class exhibition, and receive recognition and support. In 2022, the winners were such projects as Interval Train Traffic Control System, Hybrid 3D Printer Stereotech, BICO Industrial Air-Cooling System, etc.
- The international forum of innovators IN’HUB 2022 was a three-day international exhibition. The agenda included the final round of the Inventive Projects Competition with an international jury, presentation of the finalists’ projects, a business and discussion programme, and master classes, public lectures and activities popularising invention. Among the forum participants there were individual inventors and industrial companies, national and regional innovation associations, representatives of small, medium and large businesses, venture funds, and international public organisations.

Applications for the inventive projects competition can be submitted at www.inhubforum.com, the portal which also renders assistance to inventors in patenting matters and provides access to educational programmes (webinars, lectures). In 2022, the IN’HUB marketplace was launched, with a virtual catalogue of projects by the finalists of the inventive projects competition. This essentially is an opportunity for quick contact and organisation of business meetings with authors of inventions. In 2022, the competition registered 1,300 applications, of which 490 underwent a formal review, and 204 were presented at the Forum and posted on the marketplace. At the IN’HUB international forum, 30 foreign inventors from Switzerland, Austria, Israel, Egypt, Iran, Indonesia, Kazakhstan and Belarus presented their projects. Russian inventions and developments were presented by residents of 42 regions of the Russian Federation.

In 2022, the Festival brought together more than 4,000 people at various educational events such as shows, quests, lectures and engineering workshops, with eminent scientists and modern researchers as speakers. Schoolchildren and students were offered to:
- take a course at the Educational Hub (more than 1,000 schoolchildren and students from Norilsk and Monchegorsk acquired new knowledge and skills);
- visit Arctic Explorers quests, immersive scientific and educational events dedicated to the history of great Arctic discoveries and basic instructions on how to prepare for an Arctic expedition, developing the skills necessary for a scientist (more than 1,200 schoolchildren of 8-14 years of age gained the Arctic Explorer skills, the programme was held 40 times during the Festival);
- participate in a special programme for future engineers (more than 50 junior IMAKE regionals who whose age did not let them go to the IMAKE Science Camp in Vladivostok had an opportunity to take an express course in invention in the IMAKE Laboratory in Norilsk and Monchegorsk);
- attend an evening lecture hall (with short popular science lectures and talks, scientists’ recommendations on mitigating COVID-19 consequences and discussions about the latest technologies);
- see an interactive scientific show (chemical and physical experiments), a large-scale opening and closing ceremony of the festival (exhibition of unique technical inventions, lectures, a multimedia and laser show).

Preserving the environment in the Arctic and reflecting on the Great Arctic Dream (conquer, explore, master) were the main themes of the Festival. Dedicated videos told the audience about the explorers’ developing this unusual territory, about the challenging present of the Arctic and an amazing future that can be created by scientists and innovators who are working on new solutions for the region.

The ACT! initiatives and projects focus on developing the service economy, improving the business climate, and creating opportunities for the development of small and medium-sized businesses, including social entrepreneurship (social investments in small and medium-sized businesses to address local social problems).

Since 2014, Norilnick has funded 34 business projects for a total of over RUB 110.1 mln, helping create more than 156 new jobs. Over 32 business projects were launched by the graduates of the IN’HUB programme and the intensive Business Projects Accelerator programme on their own. There are social entrepreneurship clubs up and running on a permanent basis in Norilsk and Monchegorsk.

Business Projects Accelerator

The Business Projects Accelerator is an acceleration programme for small businesses organised by Norilnick in partnership with the Centre for Regional Development and Business Technologies of the Russian Union of Industrialists and Entrepreneurs in the regions where Norilnick operates. The programme aims to boost entrepreneurial initiative and accelerate the development of small businesses and projects seeking to address social and environmental issues.

Participation in the accelerator enables small businesses and NGOs to scale up financially, boost performance in terms of achieving better qualitative and quantitative results, engage the most motivated employees in the development of new products, and use available resources more effectively, also entering new markets, and improving the perception of their organisation.

INVENT!

IMAKE engineering marathon
In April 2022, the annual investment session was held, featuring the final presentation of business projects by the programme participants. It brought together entrepreneurs and invited experts from Norilsk and the Murmansk Region. During the investment session, eight business projects were presented, claiming funding from Nornickel, and seven projects received support in the form of two-year interest-free loans for some RUB 17.4 mln. The funds provided by the Company will be used towards business development in Norilsk, including the Shandy Candy eco-showroom, the purchase of training cars for the Autocourses No. 1 driving school, and the construction of the She-Bear Putorana Glamping site. Other initiatives that won the Company’s support are well-known city projects, including the Coffee Friends coffee shop and the DANCE PLACE choreography school. In Zapolyarny, the winning projects were a to-be-built SteamOK family bath and northernmost barbershop.

Over the course of the Business Projects Accelerator training, the participants’ projects showed solid growth, with the number of their clients, revenue and profit up 1.2x, 1.3x and 1.4x, respectively, and the aggregate profit of all participating projects up by RUB 2 mln in absolute terms. Their planned KPI targets were also achieved. A total of 14 entrepreneurs were enrolled in the Business Projects Accelerator sessions, with 35 participants from Norilsk, Dudinka, Monchegorsk, Zapolyarny and Nickel successfully completing the programme. For the first time in 2022, the accelerator welcomed startup project leaders and representatives of the non-profit sector among its participants.

Participant feedback

My project is about offering travellers comfortable accommodation on the unique Putorana Plateau, which is not a mass tourism destination. To do this, I plan to purchase temporary accommodation units, in particular, summer glamping tents of yurts. These are quick-to-set-up structures that can be dismantled for the winter. I plan to offer Norilsk residents, city guests, travellers, bloggers and tourists individual tours costing around RUB 250,000, as well as weekend getaway programmes.

Leonid Kaushan, She-Bear Putorana Glamping project owner

Thanks to our participation in the accelerator programme, we realised that we needed to act to get our products into retail chains, moving forward from the preliminary supply agreements that we already had. Further on, we expect to see our sales grow at a rate of 500 kg per month, and will use the loan we hope to receive from the Company to purchase packaging equipment.

Sergey Serbin, Coffee Friends project owner

After completion of the accelerator programme, we launched two additional groups for children, with revenue and profit going up by 29%. Now we need funds to repair one more dance hall. Our school offers a comprehensive choreography programme, which includes eurythmics, dancing games, physical training, and floor gymnastics.

Lilia Yakupova, DANCE PLACE choreography school project owner

In November 2021 with a kick-off workshop featuring training sessions in market analysis and product development, marketing and product promotion, business economics and finances, personal effectiveness of an entrepreneur, effective team building, and specifics of small-sized businesses in extreme northern conditions. Its curriculum includes a series of thematic workshops that will be held throughout its course (for example, training on drafting a presentation for the demo day and investment sessions).

Individual work of the participants implies the consolidation and application of the acquired knowledge and skills, as well as recommendations from mentors based on the results of the first month of the accelerator programme. As part of next active tracking the participants can use their newly gained experience to adjust their business project.

In 2022, a total of 42 face-to-face meetings were held across all focus areas and were attended by 4,200 participants, including community and business representatives, the Company’s employees and experts. Over the past five years, more than 160 projects improving the well-being of Norilsk residents have been implemented by the Norilsk Development Agency or with its involvement.

Norilsk Development Agency

Since 2017, the Norilsk Development Agency, established by the Norilsk Municipality, Nornickel and Vladimir Potanin Foundation, has been creating favourable conditions for sustainable social and economic development of Norilsk, creating a favourable investment climate, and implementing economic diversification and urban transformation projects.

The Norilsk Development Agency carries out its activities in cooperation with representatives of local communities and Nornickel as the city’s largest organisation, with a focus on: • promoting investment and developing the business environment; • fostering tourism; • developing the urban environment; • implementing social, cultural and educational projects.

Implementing social, cultural, and educational projects

As at the end of 2022, the Norilsk Development Agency was supporting 64 investment projects, 22 of which have the Russian Arctic residency status. The supported projects include the construction of an Arctic data processing centre, the launch of a children’s entertainment centre, the opening of a bakery, the production of rubber coatings, and more.

Focus area

Projects

Promoting investment
• Development of a Sustainable Waste Management Concept (including the use of circular production technologies at the Eco-Industrial Park)
• Creation of an industrial park with a building materials production cluster
• Support for investment projects in the service economy

Development of the business environment
• Training sessions and master classes

Fostering tourism
• Development of the Arctic tourist and recreation cluster
• Development of the Ol’-Gur ski lodge tourist and recreation area
• The Taimyr Hospitality project implementation
• Holding sports events: the Norilsk leg of the WATERS Open Water Swimming World Championship held on the Putorana Plateau, the Norilsk Trail run
• Participation in Russian and international tourism exhibitions

Developing the urban environment
• International competition to create an architectural and space planning concept for Norilsk renovation until 2035; • Project to create an architectural and space planning concept for the development and improvement of public spaces along the Lake Dolgoye embankment;
• City-wide major cleanup of Lake Dolgoye;
• Improvement of public lighting and development of a new, modern look-design for public transport in Norilsk;
• Benchmarking of available roofing materials designed for various types of roofs.

Implementing social, cultural, and educational projects

• Big Argish festival 2022;
• Academy of Creative Industries project;
• School of Urban Moderation training course;
• Transformation of the Fedorovsky Polar State University;
• Concept of the Dolgikh Lyceum.

Promoting investment

The CREATE! dimension focuses on creating infrastructure for advanced development of the service economy, improving the quality of life in the regions where the Company operates, and helping local businesses sell their products and services to external markets. These initiatives are implemented by territorial development institutions, including the Norilsk Development Agency, the Second School Centre for Community Initiatives in the Pechengsky District, and the Monchegorsk Development Agency.

Creating a favourable investment climate, and implementing economic diversification and urban transformation projects.

The Norilsk Development Agency carries out its activities in cooperation with representatives of local communities and Nornickel as the city’s largest organisation, with a focus on: • promoting investment and developing the business environment; • fostering tourism; • developing the urban environment; • implementing social, cultural and educational projects.

In 2022, a total of 42 face-to-face meetings were held across all focus areas and were attended by 4,200 participants, including community and business representatives, the Company’s employees and experts. Over the past five years, more than 160 projects improving the well-being of Norilsk residents have been implemented by the Norilsk Development Agency or with its involvement.
Statistics for projects with the Russian Arctic residency status in 2022

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment, RUB bn</td>
<td>2.3</td>
</tr>
<tr>
<td>Expected tax payments (over 10 years), RUB bn</td>
<td>7.6</td>
</tr>
<tr>
<td>Expected new jobs</td>
<td>502</td>
</tr>
<tr>
<td>New jobs actually created by 2022</td>
<td>52</td>
</tr>
<tr>
<td>Subsidies to compensate employee social benefits paid by employers with the Russian Arctic residency status, RUB mn</td>
<td>2</td>
</tr>
</tbody>
</table>

Economy Projects in Cities, with participants discussing the creation of an Industrial Park featuring a building materials production cluster and an eco-industrial park in the Norilsk Industrial District. This is an example of investor coordination taking into account the priority development areas in Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District.

**Development of the business environment**

The development of small and medium-sized businesses helps strengthen social and economic well-being in Norilsk, provide incentives, opportunities, and conditions for doing business, inspire Norilsk residents to unlock their potential, shape the local management culture and business climate, and create an SME support platform powered by information technologies. The following events to support entrepreneurial activity in Norilsk were held in 2022:

- Public discussions held on the development of small and medium-sized businesses, attended by 875 people in person (including 52 representatives of the Company);
- Training sessions and master classes held for 257 Norilsk entrepreneurs.

Fostering tourism

Efforts in this area are focused on promoting tourism and increasing the tourist flow in Norilsk and the Taimyrsky Dolgano-Nenetsky Municipal District.

During the reporting year, public discussions on tourism development issues were held, as well as other face-to-face events involving the city residents, that were attended by a total of 791 participants, including 212 representatives of the Company.

**Projects to promote tourism in 2022**

- Development of the Arctic tourist and recreation cluster (bringing together more than 80 entrepreneurs and the tourist community of more than 300 people, including NGO representatives and experts). The tourist flow in 2022 exceeded 12,000 people (up from 2,903 people in 2019).
- Development of the Oly-Gui ski lodge tourist and recreational area (a small circle of skiing and walking trails was built).
- Creation and approval of the Concept to develop the Schmidt Mountain tourist and recreation area. The construction of the longest tourist staircase in Russia (5.6 km) is planned with three covered viewing platforms and educational integrations.
- Facilitating the emergence of new forms of tourism and the local tourist offering
  - Registration of two new tour operators, creation of three ethnographic villages, development of 19 new tourist routes, registration of 70 self-employed entrepreneurs engaged in tourism projects.
  - Participation of eight Norilsk and Taimyr producers in the Arctic Souvenir country-wide competition to support Arctic trades and souvenir artisans.
  - Participation of nine Norilsk facilities in the Open Industry country-wide industrial tourism accelerator, with plans to launch 16 package tours including industrial site visits.
- Assistance in improving the quality of tourism and hospitality services
  - 36 events held, 180 guides and instructors trained and certified, and eleven tourist routes certified as part of the Taimyr Hospitality project.
  - Training professionals from the tourism industry in various areas; RUB 800,000 spent from the regional budget to provide training to the cluster members, with 28 guides and instructors trained.
- Promotion of tourist attractions and products, including digital promotion
  - The Norilsk leg of the X-WATERS Open Water Swimming World Championship held on the Putorana Plateau, with 27 swimmers from across the country taking part, and a record set for the most massive cold water swim in Russia.
  - The Norilsk Trail run, the first off-road trail-running event in the history of Taimyr, which brought together some 40 participants.
  - The MITT-2022 international travel exhibition, featuring seven tour operators from the Arctic cluster, sightseeing tour agencies and local product manufacturers among participants. The cluster's stand was awarded the grand prix as the most creative stand and drew more than 9,000 visitors as part of the exhibition's three-days programme.
  - The Travel Ventures video project exploring the regional travel potential (19 episodes released in 2022).
  - Promotion of the region as a travel destination as part of the Route of the Year All-Russian Tourism Awards, the Bering Strait International Festival (Anadyr, Chukotka), the 2nd Russian Travel Forum (Moscow), and others.

During the reporting year, public discussions on tourism development issues were held, as well as other face-to-face events involving the city residents, that were attended by a total of 791 participants, including 212 representatives of the Company.

**Developing the urban environment**

In 2022, the Norilsk Development Agency, jointly with the Norilsk Administration representatives of Nornickel, and the CENTRE Lab international urban laboratory, held an open international competition to create an architectural and space planning concept for Norilsk renovation until 2033 that drew 27 bids from across 13 countries.

Three consortia made of Russian and foreign architectural organisations, including the Higher School of Economics, State
Implementing social, cultural, and educational projects

In 2022, the Norisk Development Agency, with the support of Norilsk and the administrations of Norisk and the Taimyry Dolgoano-Nenetsky Municipal District, organized Big Argish, the main ethnic festival of the Taimyr Peninsula. In the reporting year, it focused both on the nomadic and village lifestyle of the local Indigenous peoples. Participants of several research expeditions, as well as representatives of the Naganas, Evenk, Delgan, Evenats, and Nenets communities themselves, shared their experiences of village life on the vast expanse of the Taimyr tundra, as part of events in Norilsk and Dudinka. More than 10,500 guests had the opportunity to immerse themselves in the culture and way of life of the Taimyr ethnic groups, and explore their philosophy. The festival featured ten tents, two reindeer sled caravans, and a creative space with a large programme, including lectures, master classes, and performances.

As part of the School of Urban Moderation training course developed and held in 2022 for media representatives and public opinion leaders, seventeen Norilsk residents interested in learning the technology of urban moderation were trained to skillfully initiate and lead an urban dialogue. A three-month training programme offered them an opportunity to moderate meetings, workshops, discussions, and other activities (including five city-wide activities) under the online guidance of the course author.

In the field of education, 2022 saw the continued transformation of the Fedorovsky Polar State University. The architectural and space planning solutions for the new campus were developed, and a series of training events were held for the university managers and staff (122 people). Additionally, the concept for the Dolgikh Lyceum was developed and approved, with a range of training activities organised for the project team members.

Overall, the social and cultural events held in 2022 as part of the CREATE! dimension were attended by 1,783 people in person.

Second School Centre

Following the shutdown of smelting operations in the town of Nickel, the Company partnered with members of the local community and Russia’s Monotowns Development Fund to identify the key priorities of a strategy to support continued social and economic development in the Pechengsky District. They include creating new businesses based on ready-made business models, opening a universal industrial park, developing the service economy and tourism, and transforming the social and cultural environment.

The Second School Centre for Community Initiatives in the Pechengsky District was set up to integrate the efforts toward the implementation and support of the Programme for Social and Economic Development of the Pechengsky District for 2021–2025 and the Conceptual Framework for the Social and Economic Development of the Pechengsky District. The centre is located within a public space.

In addition to supporting the social and cultural transformation, the centre acts as an integrator for the development of economic diversification projects focused on business development, urban environment, tourism, as well as increasing the social activity of the population and shaping a new image of Nickel and the entire region.

Second School Centre’s projects in 2022

Focus area

Key projects and outcomes in 2022

Tourism

- Gastro Industry Fest festival featuring industrial technology and gastronomic shows, technology workshops, works of art, and music (the event was attended by 2,229 guests, 16 restaurateurs, and 12 industry participants)
- Creation of a tourist information centre (premises to accommodate the centre were renovated, and an online travel catalogue of the Pechengsky Municipal District was developed)
- Spire 555 eco-industrial route (a new eco-industrial travel route was created and improved, now featuring two viewing platforms, one resting point, one camping site, and two works of art)

Promoting investment

- Creation of a Recreation and Extreme Sports Park in Nickel (a research and design project was completed, topographical surveying conducted, and the business case developed)
- Drafting a development strategy for the Pechenga Polytechnic College (terms of reference for the project strategy development were drafted)

Business

- Business Residence project (fair, entrepreneurship meetings with experts and master classes were held, and the Women of the North club set up)
- Business Goes to School project (workshops on developing leadership and communication skills were held for high school students, teachers were trained to use modern technological devices in education, and an online training course on starting an IT career was held in the Pechengsky District)
- Competition for interest-free funding of business projects (a total of RUB 312 mn was allocated in 2020–2022 to support local business projects, with 60 local residents employed as part of these projects, including BROO bakery and confectionery, the Atlas multifunctional complex, and others. In 2023, the opening of the Polaria hotel and an eco campsite in the Pechengsky District is planned)

Culture and education

- NikiArt project (works of art were designed and installed, with exhibitions of paintings and works of art held)
- Nickel-Tourism-2025 project (a professional retraining programme "Arctic destinations management and Arctic tourism project development" was run)
- Camp World Tree volunteer camp project (work was carried out to clean up the Kolosyoki riverbed, improve the area around the pedestrian bridge, etc., with a total of 218 tonnes of waste collected and prepared for removal)
- Northern Hospitality Volunteers project (theoretical and practical sessions were held for teenagers from the Pechengsky District, and 25 volunteers participated in the Northern Wind and Gastro Industry)

Urban environment

- Demolition of Dilapidated Buildings in Nickel project (demolition of buildings that had been in a dilapidated condition for 20 years were completed in 2022)
- Festival Square project (utilities connections were built, and installations, stands and the stage mounted; the works are planned to be completed in 2023)
- Development of a programme to implement the Nickel master plan in terms of residential quarters renovation (inspections of residential buildings were carried out, the strength of structures assessed, and the prospective population study for the town of Nickel developed)
- Oktyabr Community Centre reconstruction in Zapoloyani (specifications, the land plot layout and architectural and technical solutions were developed, with engineering surveys and inspections completed)
- Reconstruction of the water supply network and sewage treatment facilities in Nickel (development of design and estimate documents for the water intake commenced)
- Development of a design project for a pedestrian shopping area in Nickel (two design projects were developed and submitted for voting to be included in the Creating a Comfortable Urban Environment government programme for 2023. Almost 3,000 people took part in the voting).
Monchegorsk Development Agency

Monchegorsk Development Agency is a single centre for Monchegorsk development founded by Nornickel and the Monchegorsk Administration. Its mission is to create conditions conducive to the growth of Monchegorsk’s economy, with the aim of reducing its dependence on Nornickel as the city’s largest enterprise, improving the quality of life for local residents, and creating a comfortable urban environment.

Since 2021, the Agency has been focusing its activities on five key areas: tourism, urban environment, social and cultural development, business and investment, and branding.

Tourism

Imandra Tourist and Recreation Cluster

At the initiative of the Monchegorsk Development Agency, the Imandra Tourist and Recreation Cluster is being created to unlock the local tourism potential, boost the profile of Monchegorsk and its surroundings, increase the tourist flow, take the local tourism industry to a new level, and improve the quality of life in the region.

As at the end of 2022:
- the master plan for the Imandra Tourist and Recreation Cluster was developed and approved;
- four meetings with the tourism community representatives were held, drawing 65 permanent participants;
- 50 cooperation agreements were signed (including those with regard to collaboration in holding the Imandra Fest events), their marketing support and other activities;
- communication channels were established, including the Imandra Cluster Telegram channel and regular quarterly offline meetings.

Imandra Fest

Imandra Fest is a large-scale festival organised by the Monchegorsk Development Agency, which lasts for a full year. It features multiples events held in Monchegorsk and its surroundings that combine environmental activities, sports, and recreation.

In 2022, the Agency and its partners organised and held a total of nine events, including X-WATERS Imandra international open water swimming series, the Imandra Viking Fest (an international family festival of Nordic culture in the format of a Viking hiking camp), the Mystery of 1,000 Lakes quest (an automotive team quest), the Moncha Night Trail (a night run under the northern lights in the rugged terrain of the Kola Peninsula), the Garazhane festival (centred around the culture of the garage owner community), the ArtArctica AR Park (a mobile augmented reality park featuring five works of art), and the Murmansk Region’s first ever augmented reality park (ArtArctica AR Park) with six unique works of art highlighting the local natural and cultural heritage.

Marketing Monchegorsk as a tourist destination

Marketing communication channels were set up to effectively reach out to tourists, including the Visit.Imandra website and social media groups (VK, Telegram, etc.), their total audience amounted to 2.7 million people.

City Dweller School in Monchegorsk

The City Dweller School helps residents learn how to implement their ideas for creating and improving public and courtyard spaces in Monchegorsk. The school experts also share insights into trends and successful case studies related to urban improvement and the development of small towns in Russia. Furthermore, residents are trained to leverage government and grant programmes that will be helpful in implementing urban projects.

In 2022, the school held 15 lectures on various aspects of urban development.

Following the completion of the 2022 training course, the school partners selected two initiatives proposed by the course participants and provided financing for their implementation.

Improvement of the Revolution Square in Monchegorsk

In 2022, a concept for the improvement of the Revolution Square in Monchegorsk was developed. A set of drawings (master plan, transportation scheme, surfacing layout, landscaping and lighting plans, etc.) and graphic visuals were prepared in line with the proposed design solutions, and a transportation model was developed for the movement of vehicles and pedestrians based on the chosen layout option (circular traffic movement).

Social and cultural development

Management strategy for the development of School No. 5 in Monchegorsk

The project aims to create a modern learning environment in Monchegorsk, leveraging the existing schools and addressing the expected decline in the number of students. The management strategy for the School No. 5 development can be used as a model strategy to develop other schools in Monchegorsk, helping improve public satisfaction with the quality of education and overall well-being in the city, while also contributing to the effectiveness of utilising school buildings.

ArtArctica residence

The project seeks to create a favourable public environment to attract and bring together creative individuals and drive the creative industry development in Monchegorsk.

In 2022, six master classes were held by the ArtArctica residents for the Monchegorsk locals, and a mobile app was developed, featuring the Murmansk Region’s first ever augmented reality park (ArtArctica AR Park) with six unique works of art highlighting the local natural and cultural heritage.

The project helps foster a greater sense of community and ownership by involving residents in the creation of local attraction points.

Monchegorsk creative cluster development concept

The project seeks to advance the creative industries in Monchegorsk by promoting the production and provision of goods and services with high added value derived from intellectual property items.

In 2022, a community of potential cluster residents was formed, the Creative Cluster Telegram channel was joined by more than 300 members, and applications for the cluster residency were submitted by entrepreneurs from Moscow, Yaroslavl, St Petersburg, the Krasnodar Territory and the Republic of Altai as well as from the Baltic states.
Social and cultural development

Drafting a development strategy for the Monchegorsk Polytechnic College

The college’s strategy and management team development is focused on ensuring the training of highly qualified professionals for the key sectors driving economic growth in the Monchegorsk Municipal District and the Murmansk Region in line with their forecast technology-driven growth and demand for skilled professionals. The management team is tasked with developing new basic principles and requirements for leading the college in a changing environment, designing flagship training programmes, and holding meetings with partners. A series of strategic sessions is planned for 2023 to implement the developed strategy.

Business and investment

Arctic startup

Thanks to the successful launch of the Youth Startup project in 2021, Monchegorsk benefited from several new business ideas being brought to life. In 2022, the project continued with minor adjustments, welcoming not only young, but also more mature and experienced entrepreneurs willing to start a business in Monchegorsk. The participants attend workshops on motivation, marketing, promotion, niche search, and funding, communicate with mentors, develop business plans, present their ideas to experts and potential investors, and receive feedback on the viability of their projects. As part of the project, 36 funding applications were developed and submitted, with 11 ones being selected by development projects. The participants attend workshops on motivation, marketing, promotion, niche search, and funding, communicate with mentors, develop business plans, present their ideas to experts and potential investors, and receive feedback on the viability of their projects. As part of the project, 36 funding applications were developed and submitted, with 11 ones being selected by development projects. The participants attend workshops on motivation, marketing, promotion, niche search, and funding, communicate with mentors, develop business plans, present their ideas to experts and potential investors, and receive feedback on the viability of their projects. As part of the project, 36 funding applications were developed and submitted, with 11 ones being selected by development projects. The participants attend workshops on motivation, marketing, promotion, niche search, and funding, communicate with mentors, develop business plans, present their ideas to experts and potential investors, and receive feedback on the viability of their projects.

Monchegorsk investment portfolio

In 2022, promising investment opportunities were presented to entrepreneurs from all over Russia with a view to taking the city’s economy to a new level. The investment portfolio features 16 projects in the spheres of tourism, service, and other small-scale business ideas (food truck, glamping site, houseboat, a Viking port, cold storage, ice cream factory, and others). Each of the proposed projects will enjoy consumer demand in Monchegorsk as confirmed by a large-scale survey of the target audience and its needs. The surveys, focus groups and in-depth interviews were carried out to get to know Monchegorsk residents better, identify the unique features of the city and explore its historical background, which became the cornerstone of the region’s brand strategy. To achieve this, in 2022, lake maps were developed with the input of the local residents, and a project was launched to shoot a video series featuring personal stories of townspeople related to the lakes (directed by Nikita Filatov). In addition, the Sounds of Monchegorsk project was authored and launched in collaboration with the Summer Garden music band.

Monchegorsk is home to picturesque northern lakes. The “lake land” brand of the city is designed to highlight the natural beauty of the region and unlock its unique potential. It seeks to position Monchegorsk as a modern city, shifting the focus away from its industrial profile and unveiling local life through the lens of its connection with the lakes, offering a single visual and semantic context for the entire variety of the city’s projects. To achieve this, in 2022, lake maps were developed with the input of the local residents, and a project was launched to shoot a video series featuring personal stories of townspeople related to the lakes (directed by Nikita Filatov). In addition, the Sounds of Monchegorsk project was authored and launched in collaboration with the Summer Garden music band.

Lakes Around Us multimedia project and interactive lake map

It seeks to engage locals in projects that advance the city’s development, as well as boost their competencies, foster community spirit, and enhance service quality in the business and service economy. The MDA Academy offers training sessions, workshops and lectures led by experts and top coaches. At the end of the programme, a video archive of the training materials is created and uploaded on social media, being freely available to those interested.

MDA Academy

One of the longest-standing projects of the Monchegorsk Development Agency, MDA Academy offers training programmes for the city residents helping them enhance existing or acquire new competencies across five areas.

Franchise Fair

The Franchise Fair aims to introduce both novice and experienced entrepreneurs to the franchise model opportunities for business development, which include subsidies, loans, crisis management insights, and more. In 2022, the fair was held for the second time, and in addition to franchise presentations from different regions, it also featured training modules, themed workshops, and discussions. It also leveraged social surveys conducted prior to its launch.
Sports sponsorship

Nornickel has an extensive experience in implementing sponsorship programmes, which is our long-standing commitment and an important part of the Company’s positioning both externally and internally.

Our approaches to sponsorship and its geographic coverage are aligned with the Company’s sustainable development strategy aimed at driving positive change and improving the quality of life for employees and the population across our footprint.

The key principles of managing sponsorship programmes are:

• leveraging sponsorship and partnership opportunities to improve the quality of corporate projects and events focused on sports and a healthy lifestyle;
• enhancing the Company’s image by benefitting from synergies between the sponsor and the sponsored brands and building long-term associative connections between the sponsor and the sponsorship projects;
• maximising the social impact of the existing partnerships with a focus on the Company’s geography in implementing sponsorship projects.

For several years, the Company has been a partner of the Russian Football Union, the Russian Futsal Association, the Russian Ice Hockey Federation, the Night Hockey League, the Russian Curling Federation, the Russian Chess Federation, and other associations and unions. Nornickel also owns the CSKA professional basketball club and the Norilsk Nickel futsal club.

In 2022, the Company continued with its sponsorship projects in partnership with leading sports federations and associations.

CSKA professional basketball club

For many years, Nornickel has been the owner and general sponsor of the CSKA basketball club, the champion of the EuroLeague and VTB United League in the 2018/2019 season, and one of the strongest sports brands in Russia. With the Company’s support since the 2002/2003 season, the club made it to the EuroLeague’s Final Four 17 times out of 18 and won it four times.

In collaboration with the CSKA Professional Basketball Club, the CSKA Junior project is being implemented, which features sports and training events and activities for young basketball players.

In 2023, the flagship Russian basketball club will celebrate its 100th anniversary. The jubilee festivities will involve both fans and athletes and be held with the active support of Nornickel.

Russian Ice Hockey Federation

The cooperation agreement between Nornickel and the Russian Ice Hockey Federation, which was signed in 2018 for a period of four years, has been extended for the 2022/2023 season. At this stage of cooperation, the Company has become an official partner of the Federation and the general partner of the Red Machine national ice hockey development programme.

Starting from the 2022/2023 season, Nornickel also acts as an official partner of the U25 young stars team made of hockey players under 25 who are playing in Russia. The project has been put together with the target of increasing the popularity of ice hockey in the country and boosting the public profile of Russian national youth and junior teams.

Another important dimension of this cooperation is the Polar Region Hockey social and sports programme implemented across the Polar geographies accommodating the Company’s production facilities. It is aimed at supporting sports schools and the training and professional development of coaches and referees, as well as holding youth tournaments and master classes for young hockey players.

Over 20 joint events have been held since the programme’s launch, including four children’s training camps in the Murmansk Region, eight training modules for coaches and referees from Norilsk, Dudinka and the Pechengsky District, two Nornickel Cup youth tournaments, and three sports and academic shifts in the Sirius Educational Centre.
As part of these events, over 30 coaches and referees from Norilsk and the Pechengan District were trained and improved their professional qualifications. The programme helped boost the number of children engaged in hockey by 28% in Norilsk and 55% in the Pechengan District. The children’s ice hockey teams across the Company’s regions improved their playing skills and were runners-up in regional competitions in the 2021/2022 season. More than 100 sets of sports gear, game and training equipment were provided to the sports schools.

In 2022, the Company continued to implement joint programmes and projects with the Russian Ice Hockey Federation, including sports and recreation camps in Volgograd, an intensive Ice Hockey sports programme at the Sirius Educational Centre, in Volgograd, an intensive Ice Hockey sports programme at the Sirius Educational Centre, and a children’s training camp in Zapolyarny.

Night Hockey League

The Company is the general partner of the Night Hockey League, implementing a number of large-scale joint projects aimed at developing and promoting amateur ice hockey. The Night Hockey League brings together thousands of ice hockey enthusiasts and is the largest amateur sports project both in Russia and globally. It drives the development of sports infrastructure, with the cities where the winners of the National Night Hockey League Teams’ Festival play seeing new ice rinks built every year.

An important part of Norilsk’s cooperation with the Night Hockey League are the annual charity hockey games in Norilsk, featuring world-renowned hockey stars. The funds raised from these games are matched by Norilsk and used to support the development of children’s sports schools in the region. Over the years of holding these charity games, more than RUB 16 mln has been raised.

Football Union of Russia

Norilsk is a partner to the Russian Football Union’s development programmes, with the respective cooperation agreement signed for 2021–2023. A major element of the partnership is the Succession (“Nasha Smena”) talent pool programme aimed at supporting children’s coaches in the regions and helping them enhance their qualifications, as well as sourcing and nurturing young talent, which is a strategic priority for Russian football.

In 2022, the following events were held in partnership with the Russian Football Union:

- Football festival was organised in Monchegorsk, along with selection camps for young athletes. Football legends, who are also ambassadors of the Russian Football Union, led a series of master classes for young football players, participated in an open meeting with fans, and hosted a football marathon, in which over 350 young athletes took part.
- Over 200 coaches from across Russia participated in a conference organised by the Russian Football Union. The event sought to help Russian children’s and youth football coaches improve their training qualifications and develop stronger professional skills and competencies. The conference participants discussed the updated system of coaching education, approaches and issues related to talent sourcing, interaction with parents, specifics of physical training, and principles of training mixed teams.

Norilsk Nickel Futsal Club

Norilsk is the owner and sponsor of the Norilsk Nickel Futsal Club, the only professional sports club in Norilsk and the only professional futsal club in the Krasnoyarsk Territory.

The team has repeatedly become the winner of the top, second and third prizes in the Russian Futsal Superleague and has won the Russian Cup.

In 2022, a second team made up of graduates of the sports school was set up. This helped the club finalise its own talent sourcing and training model as follows: children’s sports club -> sports school -> youth teams -> second team -> first team.

The club’s home arena – the Aika sports and recreation centre built with funding from Norilsk – is one of the best futsal venues in Russia ready to host matches of the highest level held under the auspices of UEFA. Since the opening of the Aika sports arena in 2020, it hosted over 40 official matches of the Russian Futsal Superleague and the Russian Cup, including 20 games in the 2021/2022 season, with the Norilsk Nickel Futsal Club winning the bronze medals of the Superleague.

Russian Futsal Association

For eight years, Norilsk has been one of the key partners of the Russian Futsal Association that hosts the Russian Futsal Superleague and the Russian Cup competitions among professional clubs. The association also supports children’s and youth tournaments.

A major element of the partnership between the Company and the Association is the Futsal to Polar Schools national project, which brings together 129 schools and more than 11,000 participants from the Krasnoyarsk and Trans-Baikal territories, as well as the Murmansk Region. The project promotes a comprehensive approach to holding futsal tournaments among schoolchildren by making futsal part of extracurricular physical education and recreational sport programmes of educational institutions. In addition to holding tournaments, the project seeks to provide participants with material and technical support while also offering training courses for physical education teachers to improve their qualifications.

Support for the development of curling in the Arctic

In 2022, Norilsk and the Russian Curling Federation joined forces to hold another annual stage of the Norilsk Curling Cup world tour, which welcomed winners and runners-up of the World Curling Championships and Olympic Games. The programme of the competitions weekend included master classes for the curling school students, various activities at the Tamir Ice Arena showcasing elements of the North’s indigenous culture, and spectacular opening and closing ceremonies directed by some the world’s most talented producers.

The local curling team’s successful performance in the regional tournaments and the growing number of local residents who have taken up curling are among the key social benefits resulting from the Company’s partnership with the Russian Curling Federation. Curling is an inclusive sport accessible to players from various social groups, including young people, seniors, and indigenous populations.

The programme of the competitions weekend included master classes for the curling school students, various activities at the Tamir Ice Arena showcasing elements of the North’s indigenous culture, and spectacular opening and closing ceremonies directed by some the world’s most talented producers.
Corporate Governance

Corporate governance principles

Nornickel’s unwavering priority in corporate governance is balancing the interests of shareholders, the Board of Directors, management, employees, and other stakeholders.

The existing corporate governance framework is integrated into all of the Company’s processes. It is underpinned by the applicable Russian laws and the Bank of Russia’s Corporate Governance Code, which we are guided by in building our corporate governance practices at Nornickel. The key principles of corporate governance are reflected in Nornickel’s Articles of Association, Regulations on the Board of Directors, Anti-Corruption Policy and other by-laws.

Our key corporate governance principles:

1. Equitable and fair treatment of every shareholder;
2. Support for the shareholders to let them exercise their rights and lawful interests in the most reasonable and convenient manner;
3. Professionalism and leadership of the Board of Directors, and involvement of independent directors in governance;
4. Strategic management by the Board of Directors, its efficient control over executive bodies, and oversight of the risk management and internal control framework;
5. Sound, bona fide and efficient management of the Company’s day-to-day operations by executive bodies accountable to the Board of Directors and the General Meeting of Shareholders;
6. Strong business ethics;
7. Zero tolerance to corruption;
8. Full, transparent, reliable and timely disclosure;
9. Robust risk management and internal controls;
10. Commitment to sustainability principles.

Share capital structure

In the reporting year, following respective resolution by the General Meeting of Shareholders, the Company’s authorised capital was reduced to RUB 152,863,397 through the cancellation of 791,227 treasury shares repurchased in June 2021. The stakes held by the key shareholders reflect changes in the authorised capital.

As at the end of 2022, the authorised capital of Nornickel was made up of 152,863,397 ordinary shares with an aggregate market value of RUB 2,339 bn.

The Company’s ordinary shares have been trading on the Russian market since 2001. Since 2014, the shares have been on the First Level quotation list of the Moscow Exchange (ticker: GMKN). American depositary receipts (10 ADRs represent one share) were also issued in 2001 and were traded on the LSE OTC market (ticker: MNOD) and over the counter in the US (ticker: NILSY). Trading in depositary receipts of Russian issuers on international stock exchanges has been suspended since March 2022.
Governance bodies

Nornickel has four key governance bodies.

<table>
<thead>
<tr>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Meeting of Shareholders, the Company's supreme governance body</td>
</tr>
<tr>
<td>Management Board, a collegial body that manages the Company’s day-to-day operations</td>
</tr>
</tbody>
</table>

Key qualifications for nominees to the Board of Directors

- Impeccable professional and personal reputation, excellent professional qualifications and understanding of the key principles underpinning the Company’s business
- Professional qualification, experience and skills aligned with the Company’s current and expected needs
- Interest in serving on the Company’s Board of Directors, including availability of sufficient time to dedicate to their role as directors
- Knowledge and understanding of all legal responsibilities related to Board service
- No conflict of interest in any form
- Service on the board of directors of no more than five other public companies at the same time

Composition of the Board of Directors as at 31 December 2022

<table>
<thead>
<tr>
<th>Independent directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denis Alexandrov</td>
</tr>
<tr>
<td>Alexey Germanovich</td>
</tr>
<tr>
<td>Sergey Volk</td>
</tr>
<tr>
<td>Alexey Ivanov</td>
</tr>
<tr>
<td>Stanislav Luchitsky</td>
</tr>
<tr>
<td>Evgeny Shvarts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-executive directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexey Bashkirov</td>
</tr>
<tr>
<td>Sergey Babkin</td>
</tr>
<tr>
<td>Elena Bezdechnykh</td>
</tr>
<tr>
<td>Andrei Bougrov</td>
</tr>
<tr>
<td>Alexandra Zakharova</td>
</tr>
<tr>
<td>Egor Shembek</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marianna Zakharova</td>
</tr>
</tbody>
</table>
The Board of Directors meets as and when required, but at least once every six weeks. In 2022, the Board of Directors held 38 meetings (nine meetings in person and 29 meetings in absentia). As part of these meetings, the Board of Directors considered 105 matters, including 51 corporate governance matters, 27 deal approvals, and 27 strategic, operational, social, environmental and other matters. The Company’s management keeps the Board of Directors updated on the most essential matters and issues. As part of its regular reporting to the Board of Directors, the management submits problems and essential matters and issues. As part of these meetings, the Board of Directors considered 105 matters, including 51 corporate governance matters, 27 deal approvals, and 27 strategic, operational, social, environmental and other matters.

In 2022, the key ESG-related matters submitted for discussion to the Board of Directors and its Committees included:
- investigations of fatalities and performance in occupational health and safety;
- assessment of performance of corporate risk management and internal controls;
- performance of the Environmental Department, the Centre for Monitoring Technical, Production and Environmental Risks, and the Environmental Monitoring Centre;
- Nornickel’s KPI system, including environmental and OHS indicators;
- discussion of scenarios for global economy and for climate change.

Also, the Board of Directors meets on a quarterly basis to review the Company’s financial results, operational performance, and OHS reports.

In overseeing the Company’s management, financial and business affairs, the Board of Directors may instruct the managers on individual matters and monitor implementation of resolutions and tasks. Authorized executives are vested with powers and responsibilities to address economic, environmental and social matters and may delegate their powers to other employees based on their competences and functions.

Committees of the Board of Directors
Nornickel’s Board of Directors has five Committees. The Committee operations, structure, functions and membership are defined by the respective Committee Regulations.

Key functions of the Board’s Committees

Composition of the Board’s Committees as at 31 December 2022

The composition of the Board’s Committees is determined by resolution of the Board of Directors.

<table>
<thead>
<tr>
<th>Committees of the Board of Directors</th>
<th>Directors</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Independent</td>
<td>Non-executive</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>5</td>
<td>+</td>
</tr>
<tr>
<td>Budget Committee</td>
<td>5</td>
<td>–</td>
</tr>
<tr>
<td>Strategy Committee</td>
<td>5</td>
<td>+</td>
</tr>
<tr>
<td>Corporate Governance, Nomination and Remuneration Committee</td>
<td>5</td>
<td>+</td>
</tr>
<tr>
<td>Sustainable Development and Climate Change Committee</td>
<td>5</td>
<td>+</td>
</tr>
</tbody>
</table>
Evaluation of the Board of Directors' performance

Nornickel has developed the Performance Evaluation Policy for the Board of Directors in line with the Bank of Russia’s Corporate Governance Code and global best practices. According to the Policy, the Company runs annual internal evaluation (self-evaluation) of the Board of Directors’ performance in the form of an online questionnaire filled by each director based on a schedule approved by the Board of Directors. The questionnaire contains 87 questions, divided into 18 sections. All questions are graded on a scale from 1 to 10. For each question there is a text field where directors may enter additional comments. Answering all questions is mandatory.

Following the evaluation, the Corporate Governance, Nomination and Remuneration Committee prepares the Board of Directors’ performance report for the year and develops recommendations for improving the Board functions that were scored below average. With the Committee’s recommendations taken into account, the Board of Directors approves the report; the recommendations are communicated to all stakeholders.

In addition to internal evaluation, the Company organises an external independent evaluation of the Board of Directors’ performance at least once every three years. In 2021, external evaluation of the Board of Directors’ performance was carried out by the Professional Directors Association.

Survey and interview results served as the basis for conclusions and recommendations across four areas:
• role of the Board of Directors and corporate governance;
• composition and remit of the Board of Directors;
• Committees of the Board of Directors;
• operating model of the Board of Directors.

Following the evaluation, an opinion was prepared stating that in 2021, the Board was balanced in terms of professional qualification, experience and business skills of the directors; the composition of the Board Committees was aligned with the Company’s goals and objectives; the Chairman of the Board of Directors ensured efficient organisation of the Board’s activities and its interaction with other bodies of the Company and facilitated the optimal performance of the functions conferred on the Board.

In 2022, a number of activities were implemented to improve the Board processes, including activities recommended by the independent external consultant. Specifically:
• the report submitted to the shareholders ahead of the General Meeting of Shareholders was expanded to include more information on Board nominees, and the Board paid more attention to matters related to KPI improvement;
• the Company looks into ways to increase representation of women on the Board of Directors.

Executive bodies

The President and the Management Board are the Company’s executive bodies. In the reporting period, the position of the Company’s President was held by Vladimir Potanin, who concurrently chaired the Company’s Management Board. As at the end of 2022, Vladimir Potanin had held the position of the President (CEO before 2015) for 10 years and 13 days.

The remit of the Management Board members, who also hold the positions of Vice Presidents, includes the Company’s impact on the economy, environment, and local communities. Members of the Management Board can delegate respective matters to other employees in line with their scope of responsibilities and job duties.

Director induction and training

Nornickel has in place the Professional Development Policy for Members of the Board of Directors. In line with the Policy, newly elected Board members undergo onboarding by attending a series of meetings with executives and key officers of the Company. During the summer of 2022, a number of working meetings were held between the newly elected Board members and the management team to discuss key aspects of the Company’s operations. The Corporate Secretary makes sure the new directors familiarise themselves with the existing by-laws of the Company and provides materials required under the Professional Development Policy. In 2022, an online session on leadership development in the area of safety culture was organised for the Board of Directors involving Andrew Sherman, a recognised expert in this field.

The Company also organises field sessions for its directors, which involve visits to the Company’s production sites and meetings with heads of production units to address key issues locally. In the autumn of 2022, the Board of Directors travelled to Norilsk to visit the key production sites of the Company’s Polar Division and social infrastructure facilities included in the Company’s charity programme.

Prevention of conflict of interest

As part of its commitment to the principles of legality, impartiality, objectivity and confidentiality, Nornickel puts a special emphasis on managing conflicts of interest among its shareholders, members of the Board of Directors and top management. The Company has in place measures to prevent situations that may involve a conflict of interest.

Transactions involving a conflict of interest that meet the criteria for related-party transactions are executed in line with the procedure prescribed by laws on joint-stock companies. Also, under the Company’s Articles of Association, transactions involving a conflict of interest for a shareholder owning more than 3% of voting shares are subject to a special approval procedure. Such transactions can only be executed upon an approval by a qualified majority voting of the Board members (at least 10 out of 13).

In addition, the Company has adopted the Code of Conduct and Ethics for Members of the Board of Directors, which serves to uphold high standards of ethics and business conduct of the Board members and is a guidance to be relied on in case of ethical risks and conflicts of interest. The Code states that members of the Board of Directors shall refrain from engaging in any activities that may cause a conflict of interest, and, if there is reason to believe such conflict may occur, notify the Corporate Secretary in writing.

If a director has a direct or indirect personal interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before the matter is considered or resolved and withdraw from any further discussions and voting on such matter.

Ensuring transparency and dialogue with stakeholders on corporate governance

Maintaining a focus on transparency and openness, Nornickel prioritises interaction between the Company’s management and stakeholders. Stakeholder engagement in corporate governance helps Nornickel improve its governance system by adopting important initiatives that reflect the needs of the Company’s stakeholders.

Nornickel has an active dialogue with a wide range of Russian and international investors. Public reporting is among the key communication channels for Nornickel. We strive to leverage global best practices to make all the necessary disclosures, which take the form of annual and sustainability reports, press releases, presentations, statements of material facts, and interactive tools.

We disclose quarterly production results and accounting statements prepared under the Russian Accounting Standards (IAS) on the Company’s website. Every six month, we publish IFRS financial statements, issuer reports, and affiliate lists.

We also maintain regular contact with investors and external stakeholders.

To improve internal communications, Nornickel organised traditional online dialogues between employees and the top management as a way to identify key strengths and weaknesses and improve corporate governance. In March 2022, we held yet another Nornickel Live – a Q&A session for employees to ask questions and for the Company’s Vice Presidents to respond and give their insights into the latest corporate developments and plans going forward. This time, the session focused on social support for employees in a turbulent economic environment. During the year, we also held a number of online one-on-one meetings, some of which were attended by the Company’s top management.
Remuneration

The Board of Directors’ remuneration is set out in the Remuneration Policy for Members of the Board of Directors approved by the General Meeting of Shareholders. The annual remuneration for non-executive directors includes:

- base remuneration of USD 120,000 for the Board membership;
- additional remuneration of USD 50,000 for membership in a Committee of the Board of Directors;
- additional remuneration of USD 150,000 for chairing a Committee of the Board of Directors;
- reimbursement of expenses incurred by directors in discharge of their duties.

In 2022, the Annual General Meeting of Shareholders established remuneration for the Chairman of the Board of Directors, an independent director, in the amount of USD 1 mln per year, paid on a quarterly basis in equal installments in roubles at the exchange rate of the Bank of Russia on the last business day of the reporting quarter.

Key principles and mechanisms of remunerations due to executives are set out in the Articles of Association, Regulations on membership in a Committee of the Board of Directors; for chairing a Committee of the Board of Directors; for membership in a Committee of the Board of Directors; for membership in a Committee of the Board of Directors; reimbursement payable to the Company’s shareholders established remuneration; for the Chairman of the Board of Directors, for non-executive directors in discharge of their duties.

According to the Company’s Articles of Association, decisions on remuneration and reimbursement payable to the Company’s President and members of the Management Board are reserved to the Board of Directors. Total remuneration payable to senior executives comprises the base salary and bonuses. Bonuses are linked to the Company’s performance, including both financial (EBITDA, free cash flow) and non-financial (workplace injury rates, labour productivity, environmental performance) indicators.

Most of the matters are subject to oversight by the Management Board, Board of Directors, and respective Committees.

ESG-related KPIs of the top management

<table>
<thead>
<tr>
<th>Focus area</th>
<th>Annual team KPIs</th>
<th>Long-term KPIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI weight</td>
<td>Occupational health and safety</td>
<td>Environment</td>
</tr>
<tr>
<td>KPI target</td>
<td>Achievement of the OHS plan depending on FIFR</td>
<td>Reduction in GHG emissions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delivery of environmental projects</td>
</tr>
<tr>
<td></td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>

1 The full version of the document is available on the Company’s website.
2 This amount is after taxes withheld in accordance with the applicable Russian laws.
3 The texts of the documents are available on the Company’s website.
Compliance with international standards and best practices in ESG and quality management

To ensure and maintain strong governance practices in ESG, Nornickel regularly analyses experiences that peers rely on to comply with major international and national standards.

Support of Russian and international sustainability standards and initiatives

We support leading global and national initiatives in sustainable development often pioneering integration of their requirements into our corporate practices.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN Global Compact</td>
<td>Member since 2016</td>
</tr>
<tr>
<td>International Platinum Group Metals Association</td>
<td>Member since 1999</td>
</tr>
<tr>
<td>Nickel Institute</td>
<td>Member since 2005</td>
</tr>
<tr>
<td>Global Battery Alliance (GBA)</td>
<td>Member since 2021</td>
</tr>
<tr>
<td>Responsible Minerals Initiative (RMI)</td>
<td>In 2022, RMI suspended cooperation with the Company's Russian assets. Norilsk Nickel Harjavalta was included in the Conformant/Active Smelter &amp; Refiner Lists following a RMAP assessment by RMI</td>
</tr>
<tr>
<td>Together for Sustainability (TfS) initiative</td>
<td>The Company meets the initiative's requirements based on results of a 2021 audit</td>
</tr>
<tr>
<td>Responsible Sourcing Blockchain Network (RSBN)</td>
<td>Member in December 2020 to July 2022; membership suspended by RSBN</td>
</tr>
<tr>
<td>ICMM initiative</td>
<td>The Company implements initiatives to ensure compliance with requirements to members</td>
</tr>
<tr>
<td>IRMA initiative</td>
<td>In 2022, IRMA suspended cooperation with Russian companies. In the same year, the Company conducted an independent assessment of its mining assets compliance and readiness for certification</td>
</tr>
<tr>
<td>National ESG Alliance</td>
<td>One of the founders since December 2022</td>
</tr>
<tr>
<td>Extractive Industries Transparency Initiative (EITI)</td>
<td>The Company has been disclosing data under the EITI since 2021</td>
</tr>
<tr>
<td>Global Reporting Initiative (GRI)</td>
<td>Annual reporting in line with the GRI Standards</td>
</tr>
<tr>
<td>TCFD (Task Force on Climate-Related Financial Disclosures) recommendations</td>
<td>The Company implements a roadmap to fulfill the TCFD recommendations; for more details please see the Climate Change and Energy Efficiency section</td>
</tr>
</tbody>
</table>

Assessment of mining assets readiness for IRMA certification

In 2022, Nornickel held an independent assessment to understand the degree to which its mining assets are ready for IRMA certification. The independent assessment was conducted by ENSOR Management Consultants LLC (formerly a branch of Environmental Resources Management, an international consultancy firm), which has many years of track record in assessing and managing environmental and social risks. The assessment perimeter included eight key mines of Norilsk and Kola divisions. Their activities were assessed based on four principles: business integrity, planning for positive legacies, social responsibility, and environmental responsibility.

The assessment showed that in the event of an official certification exercise, the Company would have likely met the requirements of the IRMA Transparency level. In 2023, a roadmap will be developed to put in place corrective actions so as to ensure compliance with the IRMA requirements.
Internal Control and Risk Management

Risk management framework

Integrated in all of Nornickel’s business processes, its corporate risk management framework enables risk-oriented decision-making at various levels to achieve strategic and operational goals.

Nornickel has the following key objectives of risk management:

- increase the likelihood of achieving the Company’s goals;
- make resource allocation more efficient; and
- boost the Company’s investment case and shareholder value.

The Company’s risk management practices are based on the principles and requirements of the Russian and international laws and regulations and are also guided by professional standards, including:

- Corporate Governance Code recommended by the Bank of Russia;
- GDST R ISO 31000–2019 (Risk Management. Principles and Guidelines);
- COSO ERM (Enterprise Risk Management — Integrating with Strategy and Performance);
- Recommendations on risk management, internal controls, internal audit and the work of the Board of Directors’ (Supervisory Board’s) audit committee in public joint-stock companies (appendix to the Bank of Russia’s Information Letter No. IN-06-28/143 dated 1 October 2020).

To manage production and infrastructure risks, the Company develops, approves, updates and tests business continuity plans designed to maintain and restore current operations.

Structure of the risk management framework

Nornickel’s key documents that set out the core principles and approaches in risk management, along with functional responsibilities of the key participants involved in the risk management process, are the Risk Management Policy and Risk Management Regulations.

Board of Directors

- Approves the Corporate Risk Management Policy
- Approves the Company’s Risk Appetite Statement (annually)
- Manages strategic risks on an ongoing basis
- Reviews and approves the risk management roadmap and assesses the progress (annually)
- Reviews reports on strategic and key risks (annually/quarterly)
- Assesses risk management efficiency (annually)

Audit Committee of the Board of Directors

- Reviews strategic risks and reports on key risks
- Reviews the materialised risks and key takeaways
- Reviews risk appetite parameters
- Makes risk management decisions with regard to key risks
- Reviews Business Continuity Plans
- Reviews CRMF and ICS development strategy and plans
- Reviews the performance of Steering Risk Management Committees of Units

Management Board

- Approves the Corporate Risk Management Policy
- Approves the Company’s Risk Appetite Statement (annually)
- Manages strategic risks on an ongoing basis
- Reviews and approves the risk management roadmap and assesses the progress (annually)
- Reviews reports on strategic and key risks (annually/quarterly)
- Assesses risk management efficiency (annually)

Risk Management Committee of the Management Board

- Approves the Corporate Risk Management Policy
- Approves the Company’s Risk Appetite Statement (annually)
- Manages strategic risks on an ongoing basis
- Reviews and approves the risk management roadmap and assesses the progress (annually)
- Reviews reports on strategic and key risks (annually/quarterly)
- Assesses risk management efficiency (annually)

Risk Management Service

- Conducts an independent evaluation of the effectiveness of risk management, internal control and corporate governance (annually)

Risk owners / Heads of business units

- Manage risks on a day-to-day basis as part of the integrated risk management model, including identification, assessment and/or prioritisation, draft and put into action risk response plans, develop and implement risk management activities
- Make risk-oriented decisions

Internal audit

- Conducts an independent evaluation of the effectiveness of risk management, internal control and corporate governance (annually)
Improving the risk management framework

In 2022, the Company completed the following projects to enhance and maintain the maturity of its risk management framework:

- developed a professional competency model for the key roles in risk management;
- conducted a self-evaluation of the risk management framework's maturity level;
- kicked off a review of long-term climate change risks in line with the TCFD requirements.

To further improve the performance of its corporate risk management framework in the short term, the Company plans to:

- go ahead with automating processes and functionality of the risk management framework;
- use quantitative risk assessment in strategic and operational planning;
- enhance methodology to analyse, assess and manage various categories and types of risks;
- continue running projects to assess long-term climate change risks in line with the TCFD methodology.

Insurance

Insurance is Nornickel’s key tool for managing risks and protecting the assets of the Company and its shareholders against any unforeseen losses related to its operations, including due to external hazards.

To ensure consistent application of the Group's uniform policies and standards, the insurance function is centralised. Every year, Nornickel approves a comprehensive programme that defines key parameters by insurance type, key business line and project.

The Group has a corporate insurance programme in place that covers assets, equipment failures and business interruptions, with the same terms and conditions applied to all facilities of the core production chain. The principles of centralisation and continuity also underlie our programmes for third-party liability insurance for directors and officers, other types of liability insurance, freight, construction and installation, and vehicle insurance.

Our insurance policies are issued by Russia's largest insurance companies.

To secure the best insurance and risk management terms, we monitor the mining industry’s best practices and the latest trends in the insurance market.

Key sustainability risks

Nornickel is engaged in ongoing efforts to identify, assess and manage key ESG risks. The risks to the Company’s sustainability goals are mainly related to occupational health and safety, power blackouts at production and social facilities in the Norilsk Industrial District, environmental and conservation legislation, social and labour relationships, information security, and climate change. The most significant risks in terms of their impact on the Company’s goals are shown on the map of key sustainability risks.

Map of key risks, including changes in assessment introduced in 2022

In 2022, risk trends reflected changes in the Company’s external environment. During the year, the Company faced a variety of external challenges, which caused a review of the impact coming from external risk factors.

In 2022, Kola MMC saw the materialisation of a risk that had been identified before, i.e. equipment risk loss, following fire at the electrowinning shop of the cobalt section of the nickel tankhouse. To remedy the consequences, Kola MMC took a number of steps to restore the process of producing metallic cobalt. The Company also implements activities to prevent accidents like that, including projects to upgrade and restore fire safety systems across the facilities.
Climate change risks

Nornickel is aware of the importance of climate change risks and the threat they represent for sustainable development. The Company engages in consistent ongoing efforts to identify climate risk factors in its corporate risk management framework. Among other things, Nornickel implements activities as part of a Roadmap to comply with the TCFD Recommendations in order to integrate best practices in climate risk management into the Company’s business processes. The Company reviews all information related to climate change risks on a quarterly basis. For more details on the methodology to identify and assess climate change risks and on climate change scenarios, please see the Climate change and energy efficiency section.

Key sustainability risks

1. Market risk

Reduced ability of the Company’s products to compete in the market may reduce their liquidity and result in sales at discounts to the market price and a decrease in the Company’s income.

Risk factors

- Higher market standards for ESG compliance and product quality
- Competition from producers of cheaper nickel
- Growing role of transport electrification programmes
- Replacement of metals made by the Company with alternative materials
- Introduction of external trade restrictions by foreign regulators with negative implications for Nornickel’s operations

Mitigants

- To mitigate this risk, the Company:
  - monitors and reviews market requirements to product quality and ESG compliance;
  - takes steps to support and boost demand for its key metals;
  - monitors transportation development trends by type of engine;
  - searches for new palladium applications;
  - diversifies its metal sales by industry and geography;
  - improves and diversifies its product range;
  - promotes cooperation with sectoral institutions to maintain access to relevant metal sales markets;
  - collaborates with Russian ministries and agencies to prevent/minimise negative impact from country-specific and international regulatory measures;
  - implements an ESG roadmap;
  - considers partnerships with key producers of cathodes for Li-ion batteries;
  - enters into strategic partnerships with automakers built on guarantees of long-term palladium supplies.

2. Technical and production risk

Technical and production risk relates to events that can be caused by technical, production-related, or natural factors that can have a negative impact on the progress of the production programme and result in equipment breakdowns or damage to third parties that will require compensation.

Risk factors

- Harsh weather and climatic conditions, including low temperatures, storm winds, snow load
- Unscheduled stoppages of key equipment due to excessive wear and tear
- Release of explosive gases and flooding of mines
- Collapse of buildings and structures
- Infrastructure breakdowns

Mitigants

- To mitigate this risk, the Company:
  - properly and safely operates its assets in line with the requirements of the technical documentation, technical rules and regulations as prescribed by the local laws across its footprint;
  - develops ranking criteria and criticality assessment for the Group’s key industrial assets;
  - rolls out an automated system managing reliability, efficiency and risks associated with production assets;
  - timely replaces its fixed assets to ensure that production safety is at the required level;
  - rolls out a geotechnical monitoring system across operations to perform ongoing monitoring of its buildings and structures;
  - uses satellite monitoring of its facilities with subsequent analysis of the monitoring data;
  - introduces automated systems to control equipment process parameters, uses modern engineering control systems;
  - improves the maintenance and repair system;
  - trains and educates its employees both locally, on site, and centrally, through its corporate training centres;
  - systematically identifies and assesses technical and production risks, implements a programme of organisational and technical actions to mitigate such risks;
  - continuously monitors the current status of the industrial asset management system;
  - has risks reviewed by collegial bodies at all governance levels;
  - develops the technical and production risk management system, including by engaging independent experts to assess the system efficiency and completeness of data;
  - develops and tests business continuity plans outlining the steps that need to be taken by the Company’s personnel and internal service providers where technical and production risks cause the largest possible damage. The plans aim to ensure that the Company resumes its production as early as possible;
  - annually engages independent surveyors to analyse the Company’s exposure to disruptions in the production and logistics chain and assess related risks.
3. Occupational health and safety risks

<table>
<thead>
<tr>
<th>Key risk factors</th>
<th>Key mitigants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory organisation of operations</td>
<td>Pursuant to the Occupational and Safety Policy approved by the Board of Directors, the Company:</td>
</tr>
<tr>
<td>Process disruption</td>
<td>- continuously monitors compliance with occupational health and safety (OHS) requirements;</td>
</tr>
<tr>
<td>Exposure to hazardous factors</td>
<td>- improves working conditions for its own and contractors' employees deployed at the Company's production facilities, including by implementing new technologies and labour saving solutions and enhancing industrial safety at production facilities;</td>
</tr>
<tr>
<td></td>
<td>- provides staff with certified modern personal protective equipment;</td>
</tr>
<tr>
<td></td>
<td>- improves the system of fixed gas analysers and furnishes staff with portable gas analysers;</td>
</tr>
<tr>
<td></td>
<td>- implements preventive healthcare measures and sanitary and hygienic practices to reduce the potential impact of hazardous and dangerous production factors;</td>
</tr>
<tr>
<td></td>
<td>- provides its employees with regular training and instructions and assesses their performance in OHS, conducts corporate workshops, where, among other things, special simulation equipment is used;</td>
</tr>
<tr>
<td></td>
<td>- strengthens the methodological framework in OHS, including by developing and introducing corporate standards;</td>
</tr>
<tr>
<td></td>
<td>- improves the risk assessment and management framework at the Group companies and production facilities as part of the Risk Control project;</td>
</tr>
<tr>
<td></td>
<td>- reviews the competencies of line managers at the Company's production facilities, develops OHS training programmes and arranges relevant training sessions;</td>
</tr>
<tr>
<td></td>
<td>- holds OHS competitions;</td>
</tr>
<tr>
<td></td>
<td>- provides all employees with updates on the circumstances and causes of accidents, conducts ad hoc themed instruction sessions;</td>
</tr>
<tr>
<td></td>
<td>- introduces frameworks to manage technical, technological, organisational and HR changes.</td>
</tr>
</tbody>
</table>

Risk effect: high
Risk source: internal
Risk level change: none

Failure to comply with the Group's health and safety rules may result in threats to employee health and life, temporary suspension of operations and property damage.

4. Soil thawing

<table>
<thead>
<tr>
<th>Key risk factors</th>
<th>Key mitigants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change, average annual temperature increase (over the last 15–20 years)</td>
<td>To mitigate this risk, the Company:</td>
</tr>
<tr>
<td>Increased depth of seasonal thawing</td>
<td>- regularly monitors the condition of foundation beds and structural parts of buildings and structures;</td>
</tr>
<tr>
<td></td>
<td>- runs geodetic control of changes in buildings' positions;</td>
</tr>
<tr>
<td></td>
<td>- uses satellite monitoring of the Company's facilities with subsequent analysis of the monitoring data to identify potential risks of deformations in the earth's crust, if any;</td>
</tr>
<tr>
<td></td>
<td>- implements ongoing monitoring of the Company's buildings and structures by scaling up a corporate information and diagnostics system (including deployment of automated monitoring points to control parameters essential for the safe operation of buildings and structures);</td>
</tr>
<tr>
<td></td>
<td>- monitors soil temperature at foundations of buildings and structures;</td>
</tr>
<tr>
<td></td>
<td>- monitors the facilities' compliance with operational requirements for buildings and structures erected in the Northern climate zone;</td>
</tr>
<tr>
<td></td>
<td>- puts in place corrective actions and adaptation measures to bring buildings and structures into safe operating conditions.</td>
</tr>
</tbody>
</table>

Loss of pile foundation bearing capacity may cause deformation of buildings and structures leading to their destruction.

Risk effect: medium
Risk source: external
Risk level change: none
5. Compliance risks

This risk relates to legal liability and/or legal sanctions, significant financial losses, suspension of production, revocation or suspension of licences, loss of reputation, or other adverse effects arising from the Company's non-compliance with the applicable regulations, instructions, rules, standards or codes of conduct.

**Key risk factors**
- Discrepancies in rules and regulations
- Considerable powers and a high degree of discretion exercised by regulatory authorities

**Key mitigants**
- To mitigate this risk, the Company:
  - develops and updates regulatory and procedural guidelines on anti-corruption and combating unlawful use of insider information and market manipulation;
  - implements initiatives to ensure compliance with the applicable laws;
  - ensures that its interests are protected during surveillance inspections or in administrative offence cases;
  - defends its interests in courts and when court rulings are executed;
  - includes in contracts provisions protecting its interests;
  - implements initiatives to combat corruption, money laundering, and financing of terrorism and proliferation of weapon of mass destruction, and to manage conflicts of interests;
  - takes actions to prevent unlawful use of insider information and market manipulation;
  - ensures timely and reliable information disclosures as required by the applicable Russian and International laws;
  - gives its employees training in dealing with insider information and combating corruption;
  - conducts induction briefings on anti-corruption;
  - supports the operation of the Corporate Trust Line set up to handle reports of future or past cases of corruption, fraud, theft or other wrongdoings;
  - assesses the effectiveness of anti-corruption controls in the Group.

6. Information security risks

This group of risks includes, among other things, potential cyber crimes, potential unauthorised transfer, modification or destruction of information assets, disruption or lower efficiency of IT services, business, technological and production processes of the Company.

**Key risk factors**
- Growing external threats
- Unfair competition
- Rapid development of IT infrastructure and automation of production and business processes
- Employee and/or third-party wrongdoings
- Switch to remote working and engagement of remote workforce outside the regions of the Company's operation

**Key mitigants**
- To mitigate this risk, the Company:
  - develops and updates information security regulations;
  - plans and controls the compliance of information systems with the corporate information security standards;
  - raises employee awareness in information security;
  - replaces imported tools of information protection that have limited functionality due to sanctions;
  - protects assets using technical means and manages information access;
  - monitors threats to information security and the use of technical protection means, including vulnerability analysis, intervention testing, cryptographic protection of communication channels, controlled access to removable media, protection from confidential data leakages, mobile device management;
  - develops information security regulations;
  - procures that the corporate information security management system is set up and duly certified;
  - takes measures to provide secure remote access.

7. Environmental risks

This group of risks includes events that cause hazardous substances to be present in the environment, as well as events that are not part of the approved production processes and outside of the Russian laws and regulations and affect the Company's achievement of its environmental protection goals.

**Key risk factors**
- Non-compliance with environmental protection laws and regulations when running the Company's facilities
- Poor internal management and controls
- Failure to implement environmental protection programmes and activities on time
- Natural phenomena and climate-related events

**Key mitigants**
- To mitigate this risk, the Company:
  - develops, implements and improves business processes to protect the environment and introduces best practices and approaches;
  - creates an incentive framework and develops employee expertise in environmental protection;
  - implements the Environmental and Climate Change Strategy;
  - goes ahead with the Company's environmental action plan;
  - oversees compliance with environmental laws and regulations and implementation of programmes and activities on environmental protection.
8. Risk of insufficient water resources

Key risk factors
Abnormal natural phenomena (drought) caused by climate change

Key mitigants
To mitigate this risk, the Company:
• builds a closed water circuit to reduce water withdrawal from external sources;
• performs ongoing hydrological monitoring to forecast water level in rivers and water bodies;
• in cooperation with the Federal Service for Hydrometeorology and Environmental Monitoring sets up permanent hydrological and meteorological monitoring stations to ensure more accurate water level forecasting in its regions of operation;
• dredges the Norilskaya River and reduces energy consumption at the production facilities, should the risk materialise;
• replaces equipment at one of its two hydropower plants to increase power output through improving the performance of hydroelectric units.

9. Social risk

Key risk factors
• Projects that have an impact on headcount/staffing
• Failure of some employees and/or third parties to share the Company’s values
• Limited opportunities for annual wage indexation
• Dissemination of false and inaccurate information about the Company’s plans and operations among the Group’s employees
• Reallocation of spending on social programmes and charity

Key mitigants
To mitigate this risk, the Company:
• strictly abides by the collective bargaining agreements made between the Group’s companies and employees;
• actively interacts with civil society institutions, and employee representative bodies;
• runs programmes in accordance with its corporate social policy and the World of New Opportunities charitable programme to support and promote regional public initiatives, including those geared towards the indigenous peoples of the Taimyr Peninsula, and the Plant of Goodness corporate volunteering programme;
• puts in place infrastructure to enable accelerated development and improved quality of life across the Company’s regions of operation in cooperation with the Norilsk Development Agency, the Second School Centre for community initiatives in the Pechengsky District, and the Monchegorsk Development Agency;
• implements regular social monitoring across the Group’s operations;
• conducts opinion polls among Norilsk’s communities to learn more about their living standards, employment, migration trends and general social sentiment, and identify major challenges;
• implements social support initiatives for the personnel facing redundancies as part of Kola MMC’s social programmes and develops roadmaps for the social and economic development of the Pechengsky District.

10. Supply chain risks

Key risk factors
• Harsh physical and climatic conditions of the regions of operation
• Transportation and logistics limitations
• Higher inflation and exchange rates, pricing pressure from suppliers, improper planning and other factors
• improper performance of contractors

Key mitigants
To mitigate this risk, the Company:
• proactively partners with domestic manufacturers to strengthen competition;
• enters into long-term contracts/agreements and sets optimal fixed prices for the long-term for equipment, materials and spare parts at the most favourable terms possible;
• makes lists of critical equipment and materials suppliers and takes steps to prevent supply disruptions and monitor the business of said partners;
• runs logistics expansion programmes.
Tax strategy

Nornickel is one of the largest taxpayers in the Russian metals and mining industry. The Company ensures strict compliance with tax laws and pays all taxes on time.

The Group’s Tax Strategy Policy sets general operating principles for the tax functions of MMC Norilsk Nickel and its subsidiaries and improves the efficiency of their financial and economic operations by managing the tax burden and tax risks. The Policy is the key document that governs all taxation aspects at the Company.

The Group’s Tax Strategy Policy sets general operating principles for the tax functions of MMC Norilsk Nickel and its subsidiaries and improves the efficiency of their financial and economic operations by managing the tax burden and tax risks. The Policy is the key document that governs all taxation aspects at the Company.

The Head of the Tax Department, who reports to Nornickel’s Senior Vice President and CFO, is in charge of the Tax Strategy development. The tax strategy and any substantial amendments thereto are subject to approval by Norilsk Nickel’s Management Board. Updates and significant changes are introduced as needed, but at least once every three years.

The Company’s Tax Department prepares internal regulations based on the current legislation, arbitration practice, regulatory clarifications and other circumstances, and communicates them to the Group’s business units. If necessary, the Tax Department requests specific clarifications from competent authorities or a reasoned opinion of the tax authority required for the companies participating in tax monitoring.

Approach to taxation

As a responsible company, Nornickel is committed to openness and transparency in its taxation aspects.

Intra-group transactions between the Group’s companies are made using market prices. In terms of transfer pricing, the Group complies with the basic principles set out in the Organisation for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and follows the laws and regulations of Russia and other countries of operation.

Nornickel takes a conservative approach to all controversial tax issues arising in all jurisdictions across the Group’s footprint. The Group considers unacceptable any use of aggressive tax planning schemes.

The Group’s foreign entities interpret applicable tax legislation and resolve controversial tax issues independently.

Cooperation with tax authorities

The Group’s companies interact with tax authorities as part of tax control, when obtaining clarifications on the current legislation, and when signing pricing agreements.

Nornickel interacts with tax authorities on an ongoing basis using the tax monitoring framework, which provides tax authorities with real-time access to the Company’s tax and accounting data. By giving tax authorities direct access to its corporate accounting system, the Group clearly demonstrates its highly professional and ethical approach to tax matters.

Disclosure of relevant information for stakeholders on the corporate portal to the maximum practicable extent

Zero-tolerance approach to non-transparent corporate structures used for tax avoidance

Openness and transparency in taxation
Income tax payments are reflected in accordance with the taxpayer’s belonging to the reporting segment. Income tax payments for the consolidated taxpayers group are, therefore, reflected in MMC Norilsk Nickel Group reporting segment due to the affiliation of the responsible member of the consolidated taxpayers’ group to this segment. Here, MMC Norilsk Nickel Group means the operating segment which includes mining, processing and metallurgy operations, as well as transportation, energy, repair and maintenance services on the territory of the Taimyr Peninsula. Kola MMC Group means the operating segment which includes mining and processing operations, metallurgy, energy and mineral exploration operations on the territory of the Kola Peninsula. The data include Norilsk Nickel Harjavalta.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Income tax</th>
<th>Mineral extraction tax</th>
<th>Licences and similar payments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMC Norilsk Nickel Group</td>
<td>68,114</td>
<td>66,334</td>
<td>23</td>
<td>134,471</td>
</tr>
<tr>
<td>South Cluster</td>
<td>4,394</td>
<td>5,889</td>
<td>0</td>
<td>10,383</td>
</tr>
<tr>
<td>Kola MMC Group</td>
<td>0</td>
<td>2,286</td>
<td>0</td>
<td>2,286</td>
</tr>
<tr>
<td>NN Harjavalta</td>
<td>137</td>
<td>0</td>
<td>0</td>
<td>137</td>
</tr>
<tr>
<td>GRK Bystrinskye</td>
<td>112</td>
<td>457</td>
<td>0</td>
<td>569</td>
</tr>
<tr>
<td>Other mining businesses</td>
<td>546</td>
<td>0</td>
<td>0</td>
<td>546</td>
</tr>
<tr>
<td>Other non-metals businesses</td>
<td>1,172</td>
<td>0</td>
<td>0</td>
<td>1,172</td>
</tr>
<tr>
<td>Total</td>
<td>74,475</td>
<td>75,066</td>
<td>23</td>
<td>149,564</td>
</tr>
</tbody>
</table>

Information on the Company’s tax payments is disclosed in line with the Extractive Industries Transparency Initiative (EITI) requirements.

Business Ethics and Anti-Corruption

Norilnickel is committed to conducting business in a transparent, honest and ethical manner. This approach is not only beneficial in building trust-based relationships with investors, partners, employees, and other stakeholders, but is also instrumental in improving social and economic conditions for the Company. Norilnickel sets the bar high for its employees and partners with respect to integrity and responsible business conduct, and has zero tolerance to any form of corruption at all levels. With an anti-corruption and compliance framework in place, the Company works to eliminate any and all unethical and corrupt practices.

Anti-corruption practices: allocation of responsibility

- **Board of Directors**: Determines key strategic anti-corruption priorities and oversees their implementation
- **President**: Organises measures to ensure that the requirements and principles of the anti-corruption policy are met
- **Corporate Relations Department**: Ensures a uniform comprehensive approach to the management of the compliance function in the realm of anti-corruption
- **The Company’s HR services**: Organise anti-corruption staff training
- **Corporate Trust Line**: Provides a prompt response to reported violations, abuses and embezzlement
- **Security services**: Screen counterparties and candidates to vacancies; respond to corruption incidents
- **Heads of the Group’s branches and entities**: Ensure compliance with the Anti-Corruption Policy

Nornickel’s Anti-Corruption Policy is the key internal document that governs the anti-corruption and corruption risk management efforts in the Company. The policy seeks to ensure compliance with anti-corruption laws, as well as to prevent, identify and eliminate causes of corruption. The document applies to both Company employees and third parties, including foreign public officials and officials of public international organisations. The respective anti-corruption responsibilities are stipulated in agreements made with contractors or are expressly provided for by the applicable laws.

Nornickel Group’s Russian business units adopt and implement their own anti-corruption regulations in line with the Company’s anti-corruption policy. We also do our best to ensure our foreign operations comply with the key anti-corruption principles and requirements.

Key anti-corruption regulations

- Anti-Corruption Policy
- Business Ethics Code
- Regulations on the Prevention and Management of Conflicts of Interest
- Procedure for Anti-Corruption Due Diligence of By-Laws Adopted by the Head Office
- Code of Conduct and Ethics for Members of the Board of Directors
- Supplier Code of Conduct
- Regulations on the Conflict of Interest Commission
- Regulations on Business Gifts
- Standard anti-corruption agreement (appendix to the employment contract)
- Standard anti-corruption clause included in counterparty agreements

Our principles of business and ethical conduct are articulated in the Business Ethics Code that applies to the employees of all levels performing their job duties. In 2014, Nornickel joined the Anti-Corruption Charter of the Russian Business. Every two years, we submit a declaration to prove our compliance with anti-corruption requirements as prescribed by the Anti-Corruption Charter of the Russian Business. Our anti-corruption initiatives are regularly covered in corporate press releases.

Independent assessment in 2022, the Company received the highest A1 rating class. This is a proof of how much effort the Company’s management invests in improving the anti-corruption system.

Preventing and fighting corruption

The key initiatives designed to develop and improve the anti-corruption compliance system in 2022 included:

- approving a uniform approach to the adoption of anti-corruption regulations and control mechanisms across the Group;
- conducting a training campaign on the basics of anti-corruption compliance for the Group’s employees responsible for relevant practices;
- revising and updating the Company’s anti-corruption regulatory and procedural guidelines.

In addition, the Company runs a wide range of internal initiatives on an annual basis.
As regards the previously-identified cases that involved Nornickel Group employees, court judgements were passed in 2022. Nornickel took disciplinary action in the form of dismissal against these employees in strict compliance with the law. Following convictions under these accusations, the Company conducted mandatory preventive talks with the staff on the unacceptability of law violations and zero tolerance for any unlawful acts, including corruption. The topics also cover the Business Ethics Code and the inevitability of penalty for any crimes.

Prevention efforts enable Nornickel to take adequate and timely action not just in identifying the wrongdoings, but also in avoiding them, which is one of the main goals of the Company’s responsible units.

In addition, to further boost efficiency and improve anti-corruption performance, the employees of the Anti-Corruption Compliance Department at the Head Office are annually assigned individual performance indicators.

**Corruption risk management**

The Company performs an annual analysis of existing anti-corruption risks and ensures that business processes are monitored on a quarterly basis. The key risk areas are reviewed and the existing corruption risk map is updated as necessary. The Company identifies a number of key risks associated with the occurrence or possible occurrence of anti-corruption violations in its interactions with contractors, employees, and government officials. Other sensitive areas include procurement, business gifts and hospitality expenses, charity projects, as well as the recruitment and hiring processes.

In 2022, to check compliance with Federal Law On Combating Corruption, we organised a random check across the Group, including the newly created companies. Following a previous internal audit into procurement, business gifts and hospitality expenses, charity projects, as well as the recruitment and hiring processes.

In 2022, the assessment of corruption-related risks covered 81 business units, which is 98% of the total number of the Group’s business units.

**Anti-corruption training**

Nornickel provides regular training to its employees to raise awareness on anti-corruption practices. All new hires receive an induction briefing in this area. When recruited, they also need to familiarise themselves with the corporate Anti-Corruption Policy and sign an addendum to their employment contract that sets out anti-corruption responsibilities.

There is an online anti-corruption course taken by all employees and a dedicated course on compliance with anti-corruption laws for our HR function. The new approach to raising personnel awareness of anti-corruption procedures resulted in stronger employee training indicators in 2022. In addition, there was a major three-day training session for employees responsible for implementing anti-corruption procedures.

**Educating and training employees on Nornickel’s anti-corruption policies and practices in 2022, by region**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Norilsk Industrial District</th>
<th>Krasnoyarsk Territory (excluding the Norilsk Industrial District)</th>
<th>Murmansk Region</th>
<th>Moscow and other regions of Russia</th>
<th>Trans-Baikal Territory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees made aware of the Group’s anti-corruption policies and practices</td>
<td>54,837</td>
<td>3,429</td>
<td>12,375</td>
<td>7,999</td>
<td>2,852</td>
<td>81,492</td>
</tr>
<tr>
<td>Share of employees made aware of the Group’s anti-corruption policies and practices, %</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Number of employees trained on the Group’s anti-corruption policies and practices</td>
<td>22,975</td>
<td>3,985</td>
<td>3,133</td>
<td>3,955</td>
<td>101</td>
<td>31,025</td>
</tr>
<tr>
<td>Share of employees trained on the Group’s anti-corruption policies and practices, %</td>
<td>42</td>
<td>32</td>
<td>39</td>
<td>4</td>
<td>38</td>
<td></td>
</tr>
</tbody>
</table>

**Educating and training employees on Nornickel’s anti-corruption policies and practices in 2022, by category**

<table>
<thead>
<tr>
<th>KPI</th>
<th>Managers</th>
<th>White-collar employees</th>
<th>Blue-collar employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees made aware of the Group’s anti-corruption policies and practices</td>
<td>12,868</td>
<td>18,170</td>
<td>50,454</td>
<td>81,492</td>
</tr>
<tr>
<td>Share of employees made aware of the Group’s anti-corruption policies and practices, %</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Number of employees trained on the Group’s anti-corruption policies and practices</td>
<td>4,246</td>
<td>6,399</td>
<td>20,380</td>
<td>31,025</td>
</tr>
<tr>
<td>Share of employees trained on the Group’s anti-corruption policies and practices, %</td>
<td>33</td>
<td>35</td>
<td>40</td>
<td>38</td>
</tr>
</tbody>
</table>
Managing conflicts of interest

The Company pays special attention to timely identification and prevention of conflicts of interest. With the Regulations on the Prevention and Management of Conflicts of Interest at MMC Norilsk Nickel in place, the Company seeks to prevent and minimise the risk of employees’ personal interests influencing the business decision-making process. In addition, the Company approved the standard declaration form for reporting conflicts of interest, to be filled in by candidates applying for vacant positions and by individuals acting as independent contractors. There are also permanent Conflict of Interest Commissions working to ensure compliance with the principles of legality and improve corporate culture.

In 2022, we established a conflict of interest reporting process for the employees of Russian business units hired before the Regulations on the Prevention and Management of Conflicts of Interest came into effect.

Anti-money laundering and counter-terrorist financing initiatives

For the purposes of anti-money laundering / counter-terrorism financing / prevention of proliferation of weapons of mass destruction (AML/CFT/CPF), the Company has put in place internal controls in strict compliance with Russian laws and its own by-laws:

- Federal Law No. 115-FZ On Anti-money Laundering and Combating the Financing of Terrorism dated 7 August 2001;

In 2022, the Internal Control Rules were updated to reflect Federal Law amendments.

The key principle of internal control for AML/CFT/CPF purposes is the risk-based approach that covers:

- customer identification and due diligence;
- assessing the risk of suspicious transactions made by customers; assigning a risk group;
- taking measures to mitigate the AML/ CFT/CPF risks and their potential effects, among other things, by engaging all employees, within their competences, in identifying risk criteria for suspicious transactions;
- systematic employee training.

Other AML/CFT/CPF efforts include due diligence of customers prior to entering into contracts, identification of beneficial owners, analysis of customers’ business reputation and other reasonable and available measures depending on the risk exposure.

In 2022, we established by-laws compliance with Russian laws and its own by-laws:

- the proliferation of weapons of mass destruction;
- counter-terrorism financing;
- prevention of proliferation of weapons of mass destruction.

For the purposes of anti-money laundering and counter-terrorist financing initiatives, the Company also introduced:

- improved procedures for assessing the risk of suspicious transactions made by customers;
- improved procedures for taking measures to mitigate the AML/CFT/CPF risks and their potential effects;
- improved systematic employee training.

Corporate Trust Line

In 2010, Norilnickel launched its Corporate Trust Line (CTL) as a primary tool to manage complaints and queries. Available to a wide range of stakeholders, the line helps to quickly respond to their concerns relating to the protection of assets and corporate interests, prevention of abuse, theft and other violations.

The CTL is accountable to the Internal Control Department and operates in line with the Company’s by-laws. Responsible for the service is its operator and head along with the Director of the Internal Control Department.

Report statistics (broken down by Group company) are submitted to units in charge of procedures and by-laws, including with respect to human rights, environment, labour relations, etc.

Any stakeholder may contact the CTL reporting both potential corruption and a wider range of matters related to violations of procedures and by-laws, including with respect to the protection of assets and corporate interests, prevention of abuse, theft and other violations.

In 2022, the CTL came into effect.

In 2022, we established a conflict of interest reporting process for the employees of Russian business units hired before the Regulations on the Prevention and Management of Conflicts of Interest came into effect.

Key principles

The CTL is guided by the following principles:

- guaranteed confidentiality for whistle-blowers;
- independent consideration of reports;
- timely and unbiased assessment of all incoming reports irrespective of the position and employment period of the person mentioned therein;
- prevention of bias and pressure on whistle-blowers;
- timely and unbiased consideration of complaints and queries;
- quick response to their concerns relating to the protection of assets and corporate interests, prevention of abuse, theft and other violations.

The exceptions are reports that require immediate action or additional investigation. If a report triggers a set of control measures, and if a violation is confirmed, steps are taken to correct the situation, eliminate any negative consequences, and inform stakeholders.

For everyone wishing to make a report, toll-free channels are available 24/7:

- +7 800 700 1941
- +7 800 202 1945
- e-mail: skd@nornik.ru

The procedure provides for the operator to fully handle the report (from registration in the information system to review by a dedicated function and assessment of the response by the Head of the Corporate Trust Line) within 21 business days. The exceptions are reports that require immediate action or additional investigation. If found substantiated, the report triggers a set of control measures, and if a violation is confirmed, steps are taken to correct the situation, eliminate any negative consequences, and inform stakeholders.

Grievance policy

Key principles

The CTL is guided by the following principles designed to prevent retaliation against or pressure on whistle-blowers:

- guaranteed confidentiality for whistle-blowers;
- independent consideration of reports;
- timely and unbiased consideration of all incoming reports irrespective of the position and employment period of the person mentioned therein.

Any stakeholder may contact the CTL reporting both potential corruption and a wider range of matters related to violations of procedures and by-laws, including with respect to human rights, environment, labour relations, etc.

The exceptions are reports that require immediate action or additional investigation. If a report triggers a set of control measures, and if a violation is confirmed, steps are taken to correct the situation, eliminate any negative consequences, and inform stakeholders.

For everyone wishing to make a report, toll-free channels are available 24/7:

- +7 800 700 1941
- +7 800 202 1945
- e-mail: skd@nornik.ru

The procedure provides for the operator to fully handle the report (from registration in the information system to review by a dedicated function and assessment of the response by the Head of the Corporate Trust Line) within 21 business days. The exceptions are reports that require immediate action or additional investigation. If found substantiated, the report triggers a set of control measures, and if a violation is confirmed, steps are taken to correct the situation, eliminate any negative consequences, and inform stakeholders.
Framework for registering and reviewing reports by the Corporate Trust Line

<table>
<thead>
<tr>
<th>Participants</th>
<th>Process management and control</th>
<th>Approval of the reports on Corporate Trust Line operation</th>
<th>Assessment of implemented prevention and control measures</th>
<th>Prevention and control measures</th>
<th>CTL performance assessment</th>
<th>Review of report statistics by Group company, topic, breach and management response action</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ctl operator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ctl head</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director of the internal control department</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Units at nornickel and the group companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vice president for internal control and risk management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit and sustainable development committee of the board of directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Participants**
- Ctl operator
- Ctl head
- Director of the internal control department
- Units at nornickel and the group companies
- Vice president for internal control and risk management
- Audit and sustainable development committee of the board of directors

**Process**
- Standard processing time – 21 days
  - For reports that require immediate response – 1 day
  - For reports that require additional investigation – more than 21 days
- Substantiated
- Unsubstantiated
- Investigation
- Report assessment
- Process management and control
- Approval of the reports on Corporate Trust Line operation
- Assessment of implemented prevention and control measures
- Prevention and control measures
- CTL performance assessment
- Review of report statistics by Group company, topic, breach and management response action

In 2022, the Corporate Trust Line received 1,463 reports, with 589 accepted for review, 556 resolved and released from control (out of which 159 were confirmed and 397 not confirmed). Most reports had to do with labour relations and commercial and contractual activities. As at 1 January 2022 and 31 December 2022, 70 and 103 reports were at the processing stage, respectively.

All employees are kept thoroughly informed of this service through information displays and stands, payslips, corporate calendars, brochures, etc.

<table>
<thead>
<tr>
<th>Reports received in 2022 by type of reported abuse (589 in total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour relations</td>
</tr>
<tr>
<td>Commercial and contractual activities</td>
</tr>
<tr>
<td>Technology, health and safety abuses (excluding environment)</td>
</tr>
<tr>
<td>Payroll abuses</td>
</tr>
<tr>
<td>Ethics</td>
</tr>
<tr>
<td>Production-related abuses</td>
</tr>
<tr>
<td>Social issues</td>
</tr>
<tr>
<td>Conflict of interest (pre-conflict situation)</td>
</tr>
<tr>
<td>Theft</td>
</tr>
<tr>
<td>Human rights and freedoms</td>
</tr>
<tr>
<td>Corporate fraud</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reports confirmed in 2022 by type of reported abuse (159 in total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial and contractual activities</td>
</tr>
<tr>
<td>Labour relations</td>
</tr>
<tr>
<td>Technology, health and safety abuses (excluding environment)</td>
</tr>
<tr>
<td>Production-related abuses</td>
</tr>
<tr>
<td>Payroll abuses</td>
</tr>
<tr>
<td>Ethics</td>
</tr>
<tr>
<td>Conflict of interest (pre-conflict situation)</td>
</tr>
<tr>
<td>Social issues</td>
</tr>
<tr>
<td>Theft</td>
</tr>
</tbody>
</table>
Grievance Mechanism

In 2022, the Company introduced additional corporate procedures to improve the Grievance Mechanism and its accessibility to external stakeholders (local and indigenous minority communities, suppliers or contractors, etc.). Company employees and other stakeholders can continue using the Corporate Trust Line and other channels for grievance purposes (telephone numbers, an online form on the Company’s website or an e-mail). The Mechanism does not replace any existing statutory or corporate rights protection mechanisms.

The new Mechanism provides for pre-trial dispute resolution based on dialogue and mediation. It is not mandatory and does not limit the right to statutory remedies, such as legal action.

The Grievance Mechanism serves the following purposes:
- receiving, reviewing and resolving complaints about adverse impacts either caused or contributed by, or directly linked to, our own activities and business relationships;
- early prevention, identification and elimination of social and human rights risks, in addition to supporting continuous improvements in the Company’s operations; to strengthen the relationships between the Company and its stakeholders in the long run.

The Mechanism is not intended to address any pre-existing social, economic, or cultural issues affecting local communities across the Company’s operations. The Company continues to resolve them using other mechanisms and social programmes.

Complaints are filed through CTL channels, community liaison offices, and Company executives. A complaint may be submitted by the initiator or with the help of company representatives and independent experts in case of any difficulties.

The standard review period is 21 business days when filed through the Corporate Trust Line and 30 calendar days for other channels. If more time is needed for review and resolution, the initiator is notified to this effect within 30 days.

Initial assessment of the information received from the applicant involves determining which division head should receive the complaint, whether additional information and investigation are required, and whether the complaint should be considered by an independent expert group or redirected to government authorities. This means that the grievance mechanism has three levels such as internal, independent (expert) and government:
- if the review identifies signs of non-compliance which require the complaint to be referred to government authorities, or violations of applicant rights requiring referral to an independent expert group for further consideration, the complaint is redirected as appropriate;
- internally, complaints are reviewed in accordance with the Company’s by-laws. Remediation and restoration of stakeholder rights are handled by the Company’s Head Office and Russian businesses units.

To monitor the performance of the Mechanism, we collect feedback from complaint initiators and assess the level of satisfaction on an ongoing basis and annually by analysing the feedback received during consultations with stakeholders across the Company’s footprint and at the Head Office.

In 2022, we held discussions with stakeholders on options for improving the corporate Grievance Mechanism. Having assessed the human rights impact, external experts recommended that the Mechanism be updated and stakeholders provided with an effective access to an independent expert review to obtain a full, credible, and objective third-party (independent) decision. By developing this grievance mechanism, the Company becomes one step closer to improving the human rights due diligence system in 2023

For more details, please see the Respect for human rights section.

Grievance process flow

1. **Complaint received**
   - The applicant has the right to use statutory remedies at any stage of complaint review
   - *Implemented*

2. **Information registration and initial processing**
   - Within three business days
   - *In progress*

3. **Assessing information initiating investigation**
   - Within two business days
   - *In progress*

4. **Check / engaging an independent expert**
   - Applicant requests access to an independent expert review
   - *Implemented*

5. **Remedial actions**
   - *Implemented*

6. **Reporting the outcomes to the applicant**
   - The applicant has the right to use statutory remedies at any stage of complaint review
   - *In progress*
Supply chain responsibility

Managing the ESG aspects along the entire value chain is an essential element of Nornickel’s management culture which helps manage relevant risks and respond to growing consumer needs. The continuity of the operations and operating results of the entire Group hinges on a sustainable supply chain.

Nornickel’s supply chain management includes both interaction with mineral feedstock suppliers in the upstream sector and control over sustainability of their practices and procedures and ensuring high product quality in the downstream sector. Going forward, the Company plans to expand its supply chain management processes to cover suppliers of goods and services as well. Stakeholder engagement is an essential component in building a responsible supply chain.

Key elements of Nornickel’s supply chain

- Upstream
  - Company’s own feedstock supply
  - External feedstock supply to NN Harjavalta
- Provision of the Company’s own feedstock to production operations
- Supply of core materials and equipment for the needs of the Group’s operations
- Supply of auxiliary goods
- Supply of services
- Nornickel’s operations
- Logistics
- Manufacturing of core products
- Sales
- Downstream
- Consumers

Responsible procurement

Nornickel has set three main goals in responsible procurement management:

1. Making sure the key suppliers and contractors comply with the core ESG requirements.
   - Our cooperation with suppliers on the ESG front coupled with modern production practices ensure a sustainable and careful treatment of natural resources, in addition to reducing adverse impact on the environment. Taken together, these efforts directly contribute to making our processes more environmentally-friendly.
   - In 2021, MMC Norilsk Nickel approved its Responsible Sourcing Policy1 and its Supplier Code of Conduct2, which reflect the Company’s responsible sourcing principles.

2. No business relations with contractors in serious violation of sustainability principles.
   - The Policy defines Nornickel’s approach to responsible supply chain, stating the principles to be followed by the Company and its suppliers. The Code introduces procedures for the responsible selection of suppliers based on the principles outlined in the Policy, and motivates Nornickel’s suppliers to implement processes that ensure a responsible and transparent supply chain.

3. Building long-term business relationships with the most responsible contractors.
   - In case of supplier non-compliance with the Policy or the Code, the Company takes measures to manage the risks of cooperating with that contractor, and can potentially reconsider its relationship with such suppliers.
   - With an extensive range of by-laws, Nornickel is able to effectively mitigate the operational and financial risks and costs, reduce the working capital, make supplies more reliable, and improve the delivery cycle.

1 The Policy is available on the Company’s official website.
2 The Code is available on the Company’s official website.
Nornickel’s by-laws on responsible procurement

Key procurement by-laws
- Regulations on the Product Procurement Procedure for Nornickel Group Companies
- Procurement policies by category (group of similar products)
- A standard master agreement signed with every supplier
- Policy Regarding Support for Small and Medium Enterprises
- Efficiency improvement programme

Policies setting out ESG requirements for the Company’s suppliers and contractors
- Responsible Sourcing Policy
- Supplier Code of Conduct
- Business Ethics Code
- Community Engagement Policy
- Occupational Health and Safety Policy
- Working Conditions Policy
- Indigenous Peoples’ Rights Policy
- Human Rights Policy
- Anti-Corruption Policy
- Climate Change Policy

Checking suppliers for compliance with ESG requirements

Nornickel expects suppliers to meet the mandatory and target requirements and expectations set out in the Code.

The Company also provides responsible supply chain training for employees of the Company’s Head Office and the Group companies, as well as for mineral feedstock suppliers.

For information and preparation purposes, in 2022, 1,313 contracts and general agreements with suppliers were updated to include an ESG compliance clause, which also notifies suppliers that they can reach out to Nornickel’s Corporate Trust Line.

In late 2022, this clause was added to the general terms and conditions and standard contract forms.

Contracts with suppliers were also updated to include an anti-corruption clause:
- designed to ensure that contracting parties are on the same page as regards zero tolerance to corruption;
- obliging contracting parties to inform the other party in a timely manner about the identification of possible corruption risks and relevant checks;
- providing grounds for termination or other liability if the contractor violates the anti-corruption clause and/or is involved in unlawful activities.

To monitor suppliers’ compliance with the Code, Nornickel started developing a due diligence management system (DDMS) in 2021. The system focuses on compliance with the requirements and guidelines of:
- the London Metal Exchange for responsible sourcing;
- the standards and principles of industry-leading sustainability initiatives: ICMM, IRMA, RMI (including JDDS), as well as guidance from the China Chamber of Commerce of Metals, Minerals

If suppliers refuse to comply with the Code or do not clearly demonstrate their continuous improvement in terms of compliance with its requirements, Nornickel may reconsider its relationship with such suppliers.

& Chemicals Importers & Exporters (ICCCMC) regarding the due diligence process for responsible mineral supply chains;
- the Company’s major customers.

The Policy and the Code are the underlying documents of the supply chain due diligence system. The methodological basis for developing the system is the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as OECD Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain.

The DDMS relies on the OECD guidance, a framework document for responsible supplies factoring in the best practices and key requirements:
- compliance with LME’s responsible sourcing requirements;
- compliance with IMBA and ICMM requirements;
- compliance with the Company’s customer requirements.

The system focuses primarily on identifying potential risks that could impact the stability and transparency of mineral supply chain processes, and on minimising the following risks:
- violations of human rights and freedoms;
- support for non-state armed groups;
- illegal mine control and feedstock trafficking;
- corruption and bribery;
- misinformation across the supply chain from ore mining to product delivery to consumers.

DDMS tools make it possible to collect more data on participants along the mineral supply chain, including their environmental, social and corporate governance (ESG) practices. An accurate mapping and identification of suppliers, provided they comply with the Code, in turn, contributes to a more effective decision-making, ensures a responsible mineral supply chain and high-quality products, and strengthens our position on global markets.

About Strategic vision E – Environmental S – Social G – Governance Appendices

---

1. All of the above policies have been reviewed and approved by the Company’s Board of Directors and are publicly available on the official website.
2. Among other things, this policy specifies working hours and rest periods, adopts zero tolerance to child and forced labour, and sets out the approach to remuneration.
As part of the first step from the OECD Five-Step Framework for Due Diligence in the Mineral Supply Chain, Nornickel developed and released the Code and the Policy, which are public documents available on the Company's official website, and revised the Human Rights Policy and Corporate Trust Line Procedure.

The Company developed DDMS tools focusing on mineral supplier due diligence (Know Your Supplier questionnaire) and on assessing how well a supplier complies with the Code, which help collect key information about the suppliers and their ESG practices. Other tools include the CAHRA assessment tool, a supply chain mapping questionnaire, risk assessment tools (including supplier risk assessment tool and risk decision matrix), as well as template reporting documents, including a corporate internal monitoring report for DDMS purposes serving to analyze its efficiency and the need to amend it. To implement DDMS in the divisions, the Company also developed standards that are part of the supply chain due diligence system and conducted due diligence on both internal (being part of Group) and external suppliers.

Since 2021, the Company has been conducting due diligence on mineral suppliers in accordance with steps 2 and 3 of the Five-Step OECD Due Diligence Guidance. In 2021, Kola MMC developed the Mineral Supplier Due Diligence standard, and conducted a supply chain due diligence procedure in 2021-2022. The Polar Division also adopted a similar standard and performed due diligence on mineral suppliers in 2022. At Bystrinsky GOK, a due diligence standard was adopted during the reporting period, but no due diligence took place as the subsidiary does not have any mineral suppliers.

In 2022, Nornickel completed the DDMS development, rolled it out across all divisions and implemented all the steps covered by the OECD Framework. The due diligence involved existing suppliers only, as there were no new suppliers of mineral feedstock during the reporting period. Following the due diligence of 100% suppliers of metal-containing mineral feedstock for the Group's Russian assets, no risks were confirmed. Step 5 involved the release of a public responsible supply chain report for 2021-2022 for greater transparency of Nornickel's efforts to build a responsible supply chain.

In addition to the due diligence, annual RSBN (Responsible Sourcing Blockchain Network) audit was conducted at the Kola and Norilsk divisions, as well as the Head Office during the reporting period. This audit focused on the development of the supply chain due diligence system and the Company's compliance with the key responsible sourcing requirements. These audits were first conducted at the Company's sites in 2021, when Nornickel joined the international Responsible Sourcing Blockchain Network. This initiative brings together sellers and buyers of across the minerals supply chain. Based on the 2022 audit results, the Company declared a 35% improvement in performance on a year-on-year basis. In 2022, Nornickel's 2021 RFA reports relating to five metal brands were sent to the London Metal Exchange. Their acceptance by LME proves the high compliance level of the Company's practices with the LME responsible sourcing policy.

During the first stage, Nornickel's DDMS covered suppliers of metal-containing mineral feedstock. In 2023, the Company plans to expand the system to suppliers of goods and services by launching a new tool—a supplier self-assessment questionnaire (the “supplier questionnaire”). Focused on the environmental, social, and governance (ESG) matters, the supplier questionnaire will be used to determine to what extent the suppliers of all categories meet the Code requirements. Going forward, after analyzing supplier feedback, the Company plans to make this document part of the supplier selection process used to evaluate ESG maturity.

In addition to the DDMS measures, Nornickel traditionally performs detailed sustainability compliance control as part of its major procurement procedures. Nornickel's actual and potential contractors undergo mandatory checks for reliability, solvency and financial resilience. This check comprises a set of measures allowing us to sufficiently ensure that working with these contractors is not very risky in terms of compliance with contractual obligations and applicable laws, and will not damage our business reputation. Contractor due diligence relies on a comprehensive approach in accordance with the Organization for Economic Cooperation and Development (OECD) Guidelines, international standards, as well as Russian laws and regulations.

In 2022, the Company improved its performance by 35%.

According to the results of the 2022 audits, the Company improved its performance by 35% in all aspects of the due diligence system.

E - Environmental
S - Social
G - Governance

Appendices
Ensuring procurement efficiency and transparency

The Company and the Group as a whole handle both centralised and decentralised procurement using SAP SRM, an automated system for supplier relationship management. In 2022, 26 Group companies and MMC Norilsk Nickel divisions had joined the SAP SRM system and over 10,000 potential suppliers had registered in it, of which over 9,500 had been certified to work in it. Nornickel’s current and potential suppliers can communicate online with procurement specialists for all categories of products purchased through Nornickel’s SRM Procurement Management System and receive up-to-date information regarding ongoing procurement. Sign-up for the Supplier Relationship Management (SRM) system is free of charge and does not impose any obligations on users.

In addition, our website has a dedicated Suppliers section, which provides key information on the Group’s procurement principles and procedures and planned needs. The page also features announcements and invitations to participate in the Company’s tenders. For more details on SAP SRM-based procurement, please see the Procurement Procedures tab in the Suppliers section on Nornickel’s official website.

In 2022, the Company signed over 4.4 thousand contracts for centralised procurement of materials and equipment worth around 180.6 billion RUB.

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident</th>
<th>Non-resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>540</td>
<td>38</td>
</tr>
<tr>
<td>2017</td>
<td>513</td>
<td>37</td>
</tr>
<tr>
<td>2018</td>
<td>457</td>
<td>35</td>
</tr>
<tr>
<td>2019</td>
<td>477</td>
<td>42</td>
</tr>
<tr>
<td>2020</td>
<td>494</td>
<td>36</td>
</tr>
<tr>
<td>2021</td>
<td>514</td>
<td>14</td>
</tr>
<tr>
<td>2022</td>
<td>506</td>
<td>21</td>
</tr>
</tbody>
</table>

Product quality and supply reliability

Product quality assurance

As a producer, Nornickel is responsible for compliance with HSE laws and requirements during its production process. The Company makes sure that its products comply with applicable regulations, takes into account the relevant requirements of consumers, and works to improve the chemical composition, appearance and packaging of its products, while also looking to create new forms of products and expand the product line.

Nornickel’s efforts in managing product quality are underpinned by the principles highlighted in international standard ISO 9001:2015.

The Company’s senior executives manage the risks and opportunities that can affect how much Nornickel’s products and services meet consumer expectations, and ensure that the business focuses on improving customer satisfaction. Product quality related goals and objectives are in line with the Company’s strategic goals and are formulated in the management’s resolutions based on annual performance reviews of the Corporate Integrated Management System.

Nornickel maintains a Corporate Integrated Quality and Environmental Management System (CIMS), which is subject to continuous update and improvement in accordance with international standards ISO 9001 and ISO 14001.

CIMS objectives

- Competitive edge and liquidity of products and services
- Guaranteed occupational safety, quality and reliability of supplies
- Alignment with consumer needs and expectations
- Environmental performance management

Key regulations

- Quality Policy
- Environmental Policy
- Occupational Health and Safety Policy
- CIMS Guidelines
- Company’s internal standards

Key Russian and international standards

- GOST, GOST R
- Rules and regulations of the European Union, World Trade Organisation, London Metal Exchange and Shanghai Futures Exchange

1 Updated in 2017
2 Updated in 2021
3 Updated in 2020
4 Updated in 2022
The CIMS is viewed as a set of interrelated and interacting processes, activities, procedures, rules, organisational structure and resources required for achieving the Company’s goals and fulfilling the Company’s ambitions and commitments articulated by the senior management in the quality, environmental, occupational health and safety policies. In 2022, a number of recertification and surveillance audits were conducted at Nornickel’s divisions. The audit confirmed CIMS compliance with ISO 9001, 14001, 45001.

Corporate quality management training

In 2022, close to 200 employees of various levels received training in the integrated management system. Some of the key training topics included ODS and ISO compliance, development and deployment of an integrated management system, nonconformity management, and management of opportunities in the context of risk-based thinking.

The research centres and laboratories, which, as part of Nornickel’s divisions and Group companies, analyse the ore feedstock, semi-products and saleable products, have quality management systems certified for compliance with ODS ISO/IEC 17025-2019 General Requirements for the Competence of Testing and Calibration Laboratories.

Nornickel products are not subject to mandatory certification. Customer properties of each product are defined in the relevant specifications and contractual documentation in full compliance with Russian and international laws.

Nornickel’s Polar Division are registered on the London Metal Exchange and meet the requirements of GOST 546-2001, “Copper Cathodes. Technical Specifications”, GOST 859-2014 “Copper. Grades”, for the M00 grade. In 2022, the Company rebranded and registered its copper cathodes under the new NORNICKEL brand instead of the NORILSK brand previously used at the London Metal Exchange.

Throughout the history of Nornickel Group, it had never failed to meet its obligation to deliver products to consumers.

Ensuring reliable and uninterrupted supplies

Nornickel’s sales strategy is focused on strengthening its positions in the market, with the Company seeking to achieve a balanced ratio of nickel supplies to stainless steel producers and other industries. As the largest palladium producer, Nornickel is implementing a strategy of direct long-term contracts with its end users (with a focus on the automotive industry) in order to maintain the degree of their satisfaction and identify areas for possible improvements in customer satisfaction with the quality of products/services; the Company conducts annual customer surveys and continuously monitors the performance of contractual obligations. These data are used to analyse customer requirements and expectations and their satisfaction with the Company’s products.

Customer satisfaction

Nornickel is committed to building a reliable supplier reputation. To improve mutual understanding with customers, determine the degree of their satisfaction and identify areas for possible improvements in customer satisfaction with the quality of products/services, the Company conducts annual customer surveys and continuously monitors the performance of contractual obligations. Regardless of the score achieved, survey results serve to improve the quality of products, processes and the management system. To reduce the risks affecting product quality and customer satisfaction, the Company annually develops a comprehensive action plan to improve customer satisfaction.

In 2022, the Company received 16 complaints and grievances about its product or service quality and achieved out of court settlement for all of them by meeting the demands of consumers (13 complaints were deemed unfounded). In addition, three complaints received in 2021 were settled in 2022, with two of them deemed unfounded. After all the claims received had been reviewed, remedial action plans were developed to address eight complaints (including two rejected ones).
Research and development, digital technologies

Nornickel’s contribution to the Science and Universities national project

Related federal projects

- Development of science and scientific-and-production cooperation
- Development of advanced research and development infrastructure
- Cooperation with universities to develop and test advanced technologies and train highly skilled staff
- Development of cooperation with the Russian Academy of Sciences

Key initiatives and focus areas

- Activities of Gipronickel Institute and Nornickel Digital Lab
- Support for graduates of vocational education institutions

Relevant UN SDGs

- Related federal projects
- Cooperation with universities to develop and-production cooperation
- Support for graduates of vocational education institutions

In 2022, the Group’s R&D projects and feasibility studies received a total of RUB 84.3 mln in financing

GK Ryzhkovskoye. A significant part of the work is focused in some way or other on addressing environmental issues.

In addition to research within the Group, Gipronickel also provides R&D services to third parties, mainly in the metals and chemical industries.

In 2022, Gipronickel Institute completed a wide scope of work on the mining, concentration, and smelting operations of MMC Norilsk Nickel.

Kola MMC continued to implement its copper production project using the roast-leach-electrowin technology. This technology is designed to process sulphide copper concentrates from flotation-based matte separation by using a modern and environmentally friendly technology, with the output to total 150 kt of marketable-quality copper cathodes. The roast-leach-electrowin technology will:
- reduce the cost of finished products by cutting operating costs, losses, and turnover;
- ensure that regulatory environmental standards are met through obtaining a flow (constant by composition) of gases containing SO2 and their capturing;
- increase direct copper extraction for marketable products.

In 2022, Nornickel launched a number of projects to improve environmental performance:
- we tested an innovative technology of obtaining modified sulphur, which has good prospects of becoming the feedstock for the construction industry and reducing atmospheric sulphur emissions. We got test samples of asphalt, with prototypes already used to check if asphalt concrete blends can withstand climate of the Far North;
- as part of our effort to combat climate change and reduce GHG emissions, we studied the ability of tailings to absorb CO2 from the air. We will keep developing the engineered mineralisation technology and testing accelerated mineralisation of tailings;
- as part of improving the efficiency and effectiveness of the copper production process, we increased productivity and optimised production costs;
Major R&D and feasibility studies in 2022

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Achievements of 2022</th>
<th>Expected effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of a technology for the preparation of aerated filling compounds at Polar Division</td>
<td>A technological process for the production of aerated filling compounds and their delivery to mine workings was developed;</td>
<td>Increased intensity of mining operations; Increased rate of strength gain of the artificial backfill mass formed; Minimisation of cement costs while maintaining the standard strength of the backfill mass; Lower water consumption for pipeline flushing.</td>
</tr>
<tr>
<td>Pilot tests of the first Allflot flotation machine at Norilsk Concentrator</td>
<td>Data were obtained to provide rationale for the re-equipment of scavenging operations at Norilsk Concentrator with impellerless pneumatic flotation machines</td>
<td>Due to the energy efficiency of flotation machines, the expected economic effect will amount to RUB 5.5 mn per year</td>
</tr>
<tr>
<td>Research to assess the impact of more frequent extreme weather events and degradation of permafrost rocks due to climate change on the Company’s hydraulic engineering facilities (tailing dumps)</td>
<td>The forecast until the middle of the 21st century was prepared based on calculations using 40 CMIP5 generation climate models for two GHG emission scenarios, RCP8.5 and RCP4.5; Stability of dams at hydrotechnical structures was reassessed due to expected climate change; Quantitative assessment of factors that may trigger accidents at hydraulic structures caused by climate change was carried out</td>
<td>Implementation of the Company’s environmental policy to comply with ICMM and TCFD requirements; assessment of risks related to the operation of the Company’s tailing dumps.</td>
</tr>
<tr>
<td>Research to obtain synthetic binders from sulphuric acid and carbonate rock in the Norilsk region and test them in filling compounds</td>
<td>The Company started working on a technology to produce a synthetic binder from sulphuric acid and carbonate rock in the Norilsk Industrial District to be used in filling compound as a substitute for natural anhydrite</td>
<td>The potential effect is up to RUB 2 bn per year in OPEX on natural anhydrite mining</td>
</tr>
<tr>
<td>Adjustment of operating procedures to design a technology for the production of rich selective precious metal concentrates at Kola MMC</td>
<td>Fine-tuning of high-scale operations for processing semi-products concentrating precious metals in the process cycle to adjust Operating Procedures for designing new precious metals production facilities.</td>
<td>Reduction of SO(_2) emissions by 1,200 tpa</td>
</tr>
</tbody>
</table>

Digital technology

Nornickel’s contribution to the Digital Economy national project

Related federal projects
- Information infrastructure;
- Information security;
- Digital technology.

Key initiatives and focus areas
- Nornickel’s Robotisation Service;
- Implementation of the Technological Breakthrough project pipeline;
- Automation of management and operating processes;

In 2022, amid geopolitical risks and external challenges, the Company continued to run digital projects, while taking measures to maintain business continuity. Thanks to proactive management decisions in the reporting year, the Company managed to achieve high IT stability despite great uncertainty and external pressure.

Data Lake and artificial intelligence

Technology-wise, non-ferrous metal mining is one of the most complex industries. From the mine to the marketing of the finished product, terabytes of data are collected and processed to bolster productivity and improve working conditions. To collect, process Big Data at production sites and foster cutting-edge developments, the Company has implemented the Data Lake digital platform project. Data Lake is essentially a technology platform to address business challenges using Big Data and artificial intelligence / machine learning.

In 2022, the infrastructure for launching several AI use cases was designed on the basis of Data Lake. For example, we launched a prototype of a predictive algorithm for managing dissolution and filtration processes in the nickel tank-house at Kola MMC. A dedicated environment is also being created to develop machine learning solutions. The environment helps handle tasks such as data mining, development of machine learning applications.
In 2022, the Company continued its programme to build and upgrade its networks. In conjunction with a number of Russian manufacturers, the development of a network switch with enhanced performance and data transfer speed to be deployed in the mines is underway. The combination of performance and rugged body requires effort from the development teams, but this solution will not only meet today’s needs, but will also support the future growth of traffic from unmanned mine technologies and remotely controlled equipment.

Initiatives to ensure technological independence became a new and high-priority focus of Nornickel’s digital development strategy. In 2022, the Company assessed its IT landscape, and systems based on foreign software accounted for 18%, of which one third need to be replaced. The remaining systems can be used without significant risks for several years. In 2022, Nornickel’s IT systems were isolated well in advance of mass failures; equipment and spare parts available in stock in Russia were additionally procured. Project ranking criteria were developed for Nornickel’s IT portfolio based on the impact of restrictions with a focus on the availability of Russian counterparts, in-house development capabilities, and already purchased licences.

In 2022, the Company continued its programme to build and upgrade its networks. In conjunction with a number of Russian manufacturers, the development of a network switch with enhanced performance and data transfer speed to be deployed in the mines is underway. The combination of performance and rugged body requires effort from the development teams, but this solution will not only meet today’s needs, but will also support the future growth of traffic from unmanned mine technologies and remotely controlled equipment.

In 2022, Nornickel adopted a Strategy for Ensuring Consistency of Measurements, which includes an initiative to improve technological independence. In the process of sourcing local counterparts, more than 360 manufacturers were reviewed across 119 major groups of gauges. In particular, a counterpart of PR-1K, a domestic radioisotope density meter, was found and tested in the real production environment on the Medvezhy Ruchey site.

With the assistance from Russian infrastructure solutions market players, Nornickel tested the replacement of critical systems and IT equipment for compliance with the corporate standards and information security requirements, as well as for compatibility with the existing IT landscape. The replacement solutions enabled the Company to continue performing critical tasks.

Initiatives to ensure technological independence became a new and high-priority focus of Nornickel’s digital development strategy. In 2022, the Company assessed its IT landscape, and systems based on foreign software accounted for 18%, of which one third need to be replaced. The remaining systems can be used without significant risks for several years. In 2022, Nornickel’s IT systems were isolated well in advance of mass failures; equipment and spare parts available in stock in Russia were additionally procured. Project ranking criteria were developed for Nornickel’s IT portfolio based on the impact of restrictions with a focus on the availability of Russian counterparts, in-house development capabilities, and already purchased licences.

Extensive measures were taken to ensure the technological independence of industrial automation systems. In 2022, a special laboratory was established at Polar Division to test domestic solutions for the automated process control system.

In the reporting year, Nornickel adopted a Strategy for Ensuring Consistency of Measurements, which includes an initiative to improve technological independence. In the process of sourcing local counterparts, more than 360 manufacturers were reviewed across 119 major groups of gauges. In particular, a counterpart of PR-1K, a domestic radioisotope density meter, was found and tested in the real production environment on the Medvezhy Ruchey site.

With the assistance from Russian infrastructure solutions market players, Nornickel tested the replacement of critical systems and IT equipment for compliance with the corporate standards and information security requirements, as well as for compatibility with the existing IT landscape. The replacement solutions enabled the Company to continue performing critical tasks.

Improving employees’ digital literacy remains one of the Company’s strategic priorities. Various training formats are used to develop digital competencies: workshops, online courses, webinars, and business games. At the same time, we foster creative potential of and involve our employees’ children in the training process, immerse teenagers and youth in the IT profession in the cities where the Company operates.

To develop young professionals, the Company has launched a master’s programme, AI Transformation in Industry, jointly with the MIPT centre for educational programmes. This is unique programme, as it was created directly for the needs of the mining company. Students receive multidisciplinary training in mathematics, programming and IT, and gain practical experience by continuously applying knowledge in addressing the Company’s current business needs. In 2022, the first group of MIPT students completed more than 70% of their field internship at Nornickel.

The Company has launched a major initiative to pilot and gradually integrate a multifunctional Linux-based infrastructure solution into the corporate environment. Migration to the target environment is planned with an increased focus on business processes and will be phased in via a heterogeneous environment combining hardware running Microsoft and Linux operating systems.

Projects previously initiated to develop enterprise data centres continued this year with revised goals and approaches to implementation. Jointly with IXcellerate, site preparation for a new data centre and IT equipment support systems in Moscow was completed. Concepts for data centres in Monchegorsk and Norilsk were designed.
In 2022, Nornickel together with Rostechnadzor participated in the Russian Government’s experiment to launch a system for remote control over industrial safety. Nornickel actively deploys systems to improve occupational health and safety using AI-based video analytics. In 2022, the system for monitoring personal protective equipment of production personnel was further developed:

- New detection types and parameters were added;
- the solution was integrated with personnel positioning and face recognition modules from third-party Russian software vendors.

Development of this system boosts the effectiveness and quality of safety compliance monitoring and the level of safety culture in production. In 2023, we plan to continue pilot tests of the technology from several advanced vendors at the production facilities and construction sites of Norilsk Division.

In 2022, design of a digital engineering and operating model (3D model) was completed at Kola MMC. This model helps improve tracking and positioning of employees and vehicles, monitor conditions in special areas using video cameras and video stream projection onto the model, and track changes on a timeline using laser scanning. The Company plans to make a transition from the 3D model to a full-fledged digital twin of Kola MMC.

Nornickel is developing a prototype environmental monitoring system based on the digital twin of Nadezhda Plant. The pilot will be our first step towards designing an integrated information and analytical system using a unified methodology for calculating environmental impact indicators. The system will be able to interpret and verify the data obtained, produce forecasts and reports, and create mathematical and simulation models of environmental processes.

Copper Plant had a test launch of the system for automated control of pollutant emissions that have an adverse impact on the environment. The pilot solution will help assess whether domestic equipment can be used, taking into account the nature of the Company’s production chains and conditions.

Also, Nornickel will start developing a mathematical model of industrial emissions in 2023. The software package will replace expensive and complex tools of instrumental emission control.

The Company continues its Integrated Document Management programme set to fully automate and digitally transform business processes for handling electronic legal documents and data. In 2022, key work aimed at digitalising contract-related business processes was completed. Nornickel operates a Tax Monitoring System. Following the transition to this platform, over 95% of the Group’s turnover has been monitored by the tax authorities in real time since 2021, and the platform continues to evolve.

Interaction with the Company’s suppliers and contractors is also integrated into the digital system. Competitive procurement procedures, contract execution processes and feedback are managed through a dedicated section for suppliers on the Company’s website, while conferences are held via an automated SRM system. In 2021–2022, new functions were introduced in the supplier online account in the processes of contract negotiation and execution enabling special payment terms for goods or services between the buyer and the supplier to accelerate payment in exchange for a reduced price or discount. The solution is integrated with electronic document management to speed up verification and generation of accounting documents for works/services and inventory and with the Oracle Transportation Management solution to simplify the transport ordering process and the data exchange system to store archived documents. To date, more than 650 different companies across the country have been invited to use the new service.
Corporate security

The corporate security system underpins the sustainability of Nornickel’s business processes. The Company has developed a comprehensive corporate security management system comprising five main blocks.

The Company has a dedicated Corporate Security Unit to manage corporate security issues. In addition, the Company has established and is expanding a network of analytical situation centres. The regulatory framework in this area is defined by the Russian laws, applicable international norms and internal standards, and Nornickel’s by-laws.

All senior managers of the Company, including the Board of Directors and the Management Board, are involved in the processes of drafting and improving regulatory documents aimed at ensuring corporate security. In Norilsk, the Board of Directors approved PJSC MMC Norilsk Nickel’s Policy on Countering Corporate Fraud. The requirements of the Policy are in line with the principles of honest and responsible business conduct, emphasizing the Company’s commitment to improving its corporate culture and adherence to best corporate governance practices and high ethical standards.

The Policy unifies a set of systemic measures for the prevention, detection and counteraction to corporate fraud.

Corporate security management system

- Transportation security
- Internal security
- Facility security
- Economic security
- Transparency in procurement and contractor selection

Objectives of the Policy on Countering Corporate Fraud

1. Preventing, detecting and mitigating the risk of corporate fraud. Protecting legitimate interests of the Company, its subsidiaries, their shareholders/participants, and safeguarding assets.

2. Reaffirming zero tolerance to any form or manifestation of corporate fraud.

3. Creating a consistent, Company-wide understanding of the essence of fraud, as well as a uniform standard of conduct for the prevention and suppression of fraud.

4. Preventing violations of laws on combating corporate fraud by the Company or its subsidiaries or employees.
Ensuring information security

Nornickel has a highly integrated information system for all of its businesses. Information is a valuable resource for the Company, while information security guarantees business continuity. Nornickel has its own Information Security Management System (ISMS) in place. The ISMS covers day-to-day operations, supplies of feedstock and process materials, as well as control over production and finished product shipment targets.

To support robust information security, the Company is subject to regular ISMS audits for compliance with personal data and critical infrastructure protection requirements and international standards on cyber security management, testing and assessment of data protection, vetting inspections to check information security in river and marine navigation, and other control procedures.

Nornickel’s ISMS complies with the norms and requirements of ISO/IEC 27001:2013. In 2022, four of Nornickel’s sites confirmed the high efficiency of their information security management processes:

1. Murmansk Transport Division;
2. Nadezhda Metallurgical Plant;
3. Copper Plant;
4. Talnakh Concentrator.

The external auditor noted that the facilities’ high preparedness to new threats and challenges. The Company demonstrated risk control effectiveness and readiness for unexpected changes, confirming its ability to achieve goals related to securing production processes.

In addition to analytical situation centres, the Company has in place an Information Security Incident Response Centre. If any suspicious content or activity is detected by users, the relevant notice is given to the Response Centre. The Centre assesses the possible negative impact on the Company’s information systems and takes measures to prevent and eliminate the consequences of incidents. In its work, the Centre relies on the best domestic and global practices of cyber security process management and advanced technological solutions.

In 2022, there was a significant increase in cyber attacks on Russian companies. To minimise the risks, Nornickel took additional comprehensive measures, including proactive ones, to ensure the security of its information infrastructure. In the reporting year, over 20,000 information security events and more than 1,000 incidents were handled by the Response Centre staff.

The Company’s confidential information is protected by special technical protection tools that allow detecting unauthorised access attempts through the main channels, including email and file exchange. If unauthorised attempts to withdraw confidential information are identified, an internal review and investigation procedure is initiated in accordance with the Company’s regulations.

The Company recognises the risk of incidents and emergencies affecting the stability of Nornickel’s information systems. To ensure the continuity of the Company’s operations, Nornickel developed and documented information security processes and procedures. These procedures are tested at least quarterly to ensure that they are up-to-date.

To protect the personal data of various types of subjects, including the personal data of third parties, the Company applies a set of organisational and technical measures. Technical protection is ensured by means of anti-virus protection, prevention of information leaks, control of removable media, analysis of security events. The Company also has a Personal Data Processing Policy and a number of by-laws regulating the processing and protection of personal data.

Information security training

In accordance with the Rules of Raising Awareness in Information Security, all employees of the Company are regularly trained in information security.

All new employees of Nornickel are familiarised with by-laws governing information security requirements and undergo additional induction training. In 2022, some 7,400 newly hired employees were familiarised with by-laws on information security, and approximately 4,300 new employees received additional information security induction training.

Nornickel develops annual staff training plans based on current trends and newly identified risks and cyber threats. Employees of Nornickel’s Head Office and facilities across the Company’s footprint take regular knowledge tests. In 2022, there were about 70 scheduled and 5 unscheduled e-learning training sessions for almost 18,500 Group employees.

The knowledge gained is further applied to combat information security threats. To this end, the Company arranges recurrent training and workshop sessions dealing, among other things, with simulated fishing attacks and other threats to IT infrastructure. It helps test the quality of cyber security systems, practice employee actions in case of an information security threat, and improve the overall level of the corporate information security system.

Analyses of training session results helps us revise existing and develop new instructions for employees. Information updated after training sessions is included in a quarterly newsletter circulated among the heads of the Company’s units. Employees are informed of what to do via by-laws pertaining to information security if suspicious activity is detected.

In addition, there are regular newsletters to inform employees about current information security threats and digital hygiene rules. In 2022, we circulated 27 themed newsletters among all employees of the Group.
About the Report

The 2022 Sustainability Report of Norilsk Group (the "Report") is the nineteenth public non-financial report prepared by MMC Norilsk Nickel and addressed to a wide range of stakeholders.

This Report has been prepared in accordance with the GRI Standards (2021) and discloses the Company's contribution to the UN Sustainable Development Goals up to 2030. Among others, the Report relies on the following documents: SASB Metals & Mining Sustainability Accounting Standard (2021), UNCTAD Guidance on core indicators for Sustainability Accounting Standard (2021), following documents: SASB Metals & Mining Sustainability Accounting Standard (2021), UNCTAD Guidance on core indicators for Sustainability Accounting Standard (2021), and discloses the Company's contribution towards the UN Sustainable Development Goals up to 2030.

The content of the Report has been determined in accordance with the requirements of the applicable standards and guidelines, with the Company's stakeholders engaged in the process. For details about material topics and the procedure for defining them, please see the Definition of Material Topics appendix. Quantitative indicators for material topics of sustainable development are disclosed in accordance with the Reporting Boundaries Appendix. Each year, the Company's Report undergoes external assurance procedures, including independent professional assessment of the Report's compliance with the GRI Standards and the RSPP public verification procedure.

The Sustainable Development Department of MMC Norilsk Nickel and a dedicated working group comprising representatives of the Group's key companies supervise the preparation of the Report. The Report has been approved by MMC Norilsk Nickel's Management Board and Board of Directors.

About Company

Norilsk prepared the Report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

GRI content index

Nornickel prepared the Report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

GRI standard Disclosure number Disclosure Page/link Assured by the auditor Omission Comments

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

1. The organisation and its reporting practices

2–1 Organisational details

11, 285 Assured

Nature of ownership – private.

2–2 Entities included in the organisation's sustainability reporting

304 Assured

For a list of entities included in the financial statements of Norilsk Nickel Group, please see the Group's IFRS financial statements.

2–3 Reporting period, frequency and contact point

285, 377 Assured

Financial and sustainability reporting is prepared annually for the calendar year. The date of this report is 23.05.23.

2–4 Restatements of information

285 Assured

Information on changes in previous periodic data is provided in the report in the footnotes below the respective figures.

2–5 External assurance

285, 375 Assured

2. Activities and workers

2–6 Activities, value chain and other business relationships

11, 22, 27, 261 Assured

There were no significant changes in the supply chain of the core production process in the reporting year. Due to sanctions imposed on the Russian Federation, the Company is in the process of revising its list of equipment and software suppliers.

2–7 Employees

131, 344 Assured

The relations with such employees are mainly formalised through civil law contracts. Such contracts are usually made for temporary work, without any prevailing type of activity. There are no significant hiring fluctuations within the reporting periods, and the changes from one reporting period to another may be associated with an increasing number of FTEs (as part of the functions handed over to FTEs).

2–8 Workers who are not employees

344 Assured

3. Governance

2–9 Governance structure and composition

53, 113, 150, 189, 223, 226, 231, 236, 247, 250 Assured


Other sources of information about Norilsk Group

- Corporate website: https://www.nornickel.com/
- Norilsk's approach to sustainable development: https://www.nornickel.com/sustainability/
- Norilsk's annual reports: https://www.nornickel.com/investors/reports-and-results/annual-reports/
<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2–10</td>
<td></td>
<td>Nomination and selection of the highest governance body</td>
<td>223</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–11</td>
<td></td>
<td>Chair of the highest governance body</td>
<td>223</td>
<td>Assured</td>
<td></td>
<td>The Chairman of the Board of Directors is not an executive director.</td>
</tr>
<tr>
<td>2–12</td>
<td></td>
<td>Role of the highest governance body in overseeing the management of impacts</td>
<td>41, 53, 114, 130, 169, 203, 206, 226, 231, 238, 247, 250</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–14</td>
<td></td>
<td>Role of the highest governance body in sustainability reporting</td>
<td>41</td>
<td>Assured</td>
<td></td>
<td>The Sustainability Report, including the list of material topics, was approved by the Board of Directors, GMK/24-pr-sd dated 23.05.2023.</td>
</tr>
<tr>
<td>2–15</td>
<td></td>
<td>Conflicts of interest</td>
<td>228</td>
<td>Assured</td>
<td></td>
<td>The Company publicly discloses information on related party transactions in its annual reports.</td>
</tr>
<tr>
<td>2–16</td>
<td></td>
<td>Communication of critical concerns</td>
<td>225, 236, 256</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–17</td>
<td></td>
<td>Collective knowledge of the highest governance body</td>
<td>227</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–18</td>
<td></td>
<td>Evaluation of the performance of the highest governance body</td>
<td>227</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–19</td>
<td></td>
<td>Remuneration policies</td>
<td>229</td>
<td>Assured</td>
<td></td>
<td>The Board of Directors' remuneration is set out in Remuneration Policy for Members of Board of Directors. For detailed information on the remuneration policy, please see the Company’s corporate website at <a href="https://www.nornickel.com/investors/disclosure/corporate-documents">https://www.nornickel.com/investors/disclosure/corporate-documents</a>.</td>
</tr>
<tr>
<td>2–20</td>
<td></td>
<td>Process to determine remuneration</td>
<td>229</td>
<td>Assured</td>
<td>Information on 2–20 b is not disclosed as not applicable.</td>
<td></td>
</tr>
<tr>
<td>2–21</td>
<td></td>
<td>Annual total compensation ratio</td>
<td>–</td>
<td>Not assured</td>
<td>Information has not been disclosed due to the protection of the personal data of the highest paid executive.</td>
<td></td>
</tr>
</tbody>
</table>

### 4. Strategy, policies and practices

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2–22</td>
<td></td>
<td>Statement on sustainable development strategy</td>
<td>3, 5</td>
<td>Assured</td>
<td></td>
<td>For sustainable development policies and statements, please see the Company’s corporate website at <a href="https://www.nornickel.com/investors/disclosure/corporate-documents">https://www.nornickel.com/investors/disclosure/corporate-documents</a>.</td>
</tr>
<tr>
<td>2–23</td>
<td></td>
<td>Policy commitments</td>
<td>21, 46, 104</td>
<td>Assured</td>
<td></td>
<td>The Company’s employees are familiarised with by-laws upon hiring and in internal training sessions conducted by Nornickel. Suppliers and contractors of the Company are familiarised with by-laws when entering into contracts if it is stipulated by provisions of the contracts.</td>
</tr>
<tr>
<td>2–24</td>
<td></td>
<td>Embedding policy commitments</td>
<td>21, 230</td>
<td>Assured</td>
<td></td>
<td>For information on the commitment to assess negative impacts, please see MMC Norilsk Nickel’s Human Rights Policy.</td>
</tr>
<tr>
<td>2–25</td>
<td></td>
<td>Processes to remediate negative impacts</td>
<td>256</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–26</td>
<td></td>
<td>Mechanisms for seeking advice and raising concerns</td>
<td>101, 122, 137, 192, 256</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI standard</td>
<td>Disclosure number</td>
<td>Disclosure</td>
<td>Page/link</td>
<td>Assured by the auditor</td>
<td>Omission</td>
<td>Comments</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td>------------</td>
<td>-----------</td>
<td>------------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>2–27</td>
<td>Compliance with laws and regulations</td>
<td>251 Assured</td>
<td></td>
<td></td>
<td></td>
<td>Significant cases of non-compliance with laws/regulations resulting in fines or non-financial penalties are understood as events disclosed in section 26 of the Notes to the IFRS annual consolidated financial statements and/or receiving adverse publicity. There have been no such cases in 2022.</td>
</tr>
<tr>
<td>2–28</td>
<td>Membership associations</td>
<td>353 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Stakeholder engagement</td>
<td>2–29</td>
<td>Approach to stakeholder engagement</td>
<td>99, 228 Assured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2–30</td>
<td>Collective bargaining agreements</td>
<td>138 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Disclosures on material topics**

| 3–1 | Process to determine material topics | 307 Assured | |
| 3–2 | List of material topics | 307 Assured | |

**Employment and decent working conditions in the regions of operation**

| 201–3 | Defined benefit plan obligations and other retirement plans | 157 Assured | | | Payments under the pension plan are made by NPF GAZFOND Pension Savings. For the fund’s public reports, please see the website at [https://gazfond-pn.ru/about/](https://gazfond-pn.ru/about/) |

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>202–1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation</td>
<td>141 Assured</td>
<td></td>
<td></td>
<td></td>
<td>The calculation covers the Group’s companies with an average headcount of at least 500 employees in 2022.</td>
</tr>
<tr>
<td>202–2</td>
<td>Proportion of senior management at significant locations of operation hired from the local community</td>
<td>131 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401–1</td>
<td>New employee hires and employee turnover</td>
<td>133, 134, 346 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>401–2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>342 Assured</td>
<td></td>
<td></td>
<td>The indicator is partially disclosed. No information is provided for the following types of benefits: life insurance, healthcare, disability/temporary disability coverage, child-care leave and share ownership.</td>
<td></td>
</tr>
<tr>
<td>403–6</td>
<td>Promotion of worker health</td>
<td>124, 154, 156 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>404–3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>347 Assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Emissions**

| 3–3 | Management of material topics | 71, 311 Assured | | | Persistent organic pollutants are not emitted. Hazardous air pollutants are not disclosed as there is no such a category according to the Russian laws. Emissions of volatile organic compounds (VOCs) in 2022 amounted to 1,366 t. |
### GRI standard Disclosure number Disclosure Page/link Assured by the auditor Omission Comments

#### Training and education

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Management of material topics</th>
<th>3–3</th>
<th>147, 312</th>
<th>Assured</th>
<th>Collecting feedback from trainees and assessing their satisfaction serve to assess the effectiveness of training.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Average hours of training per year per employee</th>
<th>404–1</th>
<th>146</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Programmes for upgrading employee skills and transition assistance programmes</th>
<th>404–2</th>
<th>147, 160</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

#### Innovation projects pursuing sustainable development goals

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Management of material topics</th>
<th>3–3</th>
<th>271, 274, 312</th>
<th>Assured</th>
<th>In 2015, Nornickel launched the Technological Breakthrough programme focused on automating process control and enhancing productivity and safety, among other things, by introducing cutting-edge information support and automated systems.</th>
</tr>
</thead>
</table>

#### Contribution to the development of local communities

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Management of material topics</th>
<th>3–3</th>
<th>167, 180, 312</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Direct economic value generated and distributed</th>
<th>201–1</th>
<th>325</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Infrastructure investments and services supported</th>
<th>203–1</th>
<th>180, 186, 205, 279</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Significant indirect economic impacts</th>
<th>203–2</th>
<th>177, 178, 205, 279</th>
<th>Assured</th>
<th>For more details, please see MMC Norilsk Nickel's Annual REPORT FOR 2022.</th>
</tr>
</thead>
</table>

### GRI standard Disclosure number Disclosure Page/link Assured by the auditor Omission Comments

#### Contribution to the development of local communities

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Proportion of spending on local suppliers</th>
<th>204–1</th>
<th>–</th>
<th>Assured</th>
<th>The indicator is not disclosed in accordance with the GRI requirements due to no accounting system. The Company will consider disclosure within the next three years.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Approach to tax</th>
<th>207–1</th>
<th>247</th>
<th>Assured</th>
<th>The Development of Local Communities section discloses information on the Company's expenses associated with procurement from suppliers in the key regions of operation.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Tax governance, control and risk management</th>
<th>207–2</th>
<th>247, 256</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Stakeholder engagement and management concerns related to tax</th>
<th>207–3</th>
<th>248</th>
<th>Assured</th>
<th>Stakeholders’ tax-related concerns among their other queries can be addressed as part of the mechanisms of the Corporate Trust Line.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Country-by-country reporting</th>
<th>207–4</th>
<th>–</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Operations with local community engagement, impact assessments, and development programmes</th>
<th>413–1</th>
<th>–</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Disc.</th>
<th>Financial implications and other risks and opportunities due to climate change</th>
<th>201–2</th>
<th>48, 310</th>
<th>Assured</th>
<th></th>
</tr>
</thead>
</table>

In 2022, the expenses on the Climate Change and Energy Efficiency initiatives as well as the permafrost-focused activity as part of the Environmental and Climate Change Strategy totalled RUB 8.5 bn.
### GRI Standard Disclosure

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/Link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>302-1</td>
<td>Energy consumption within the organisation</td>
<td>68, 69 Assured</td>
<td>The Company uses statistical reporting forms applicable in Russia to record energy consumption data. TJ recalculation ratios are derived from the GRI 3.0 Guidelines and Engineering Magazine, a Russian R&amp;D reference book. The calculation does not include cooling energy as inapplicable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302-3</td>
<td>Energy intensity</td>
<td>68 Assured</td>
<td>To calculate internal energy intensity, the Group's total energy consumption and the consolidated IFRS revenue are taken as the numerator and the denominator.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>70 Assured</td>
<td>Reduction of energy consumption is calculated based on the technical specifications of equipment and other energy-consuming devices that are replaced as part of energy efficiency initiatives (as the difference between the consumption of more energy-efficient new equipment and less energy-efficient old equipment).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>61 Assured</td>
<td>The calculation of GHG emissions relied on GWP values from the IPCC Fifth Assessment Report, which are 1 for CO₂, 28 for CH₄ and 265 for N₂O. The organisational boundaries for the quantitative assessment of GHG emissions in 2022 include MMC Norilsk Nickel companies over which the Company has operational control. At present the Company does not report indirect GHG emissions calculated using a market-based method. The information is not provided due to the need to request it from electric power companies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-2</td>
<td>Energy Indirect (Scope 2) GHG emissions</td>
<td>61 Assured</td>
<td>The calculation of GHG emissions relied on GWP values from the IPCC Fifth Assessment Report, which are 1 for CO₂, 28 for CH₄ and 265 for N₂O. The organisational boundaries for the quantitative assessment of GHG emissions in 2022 include MMC Norilsk Nickel companies over which the Company has operational control. At present the Company does not report indirect GHG emissions calculated using a market-based method. The information is not provided due to the need to request it from electric power companies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-3</td>
<td>Other Indirect (Scope 3) GHG emissions</td>
<td>61 Assured</td>
<td>The calculation of GHG emissions relied on GWP values from the IPCC Fifth Assessment Report, which are 1 for CO₂, 28 for CH₄ and 265 for N₂O. It takes into account the following greenhouse gases: carbon oxide (CO₂), nitrous oxide (N₂O), methane (CH₄), with no or insignificant emissions of other greenhouse gases. Biogenic CO₂ emissions are inapplicable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>61 Assured</td>
<td>In 2022, we prevented GHG emissions of 146.6 kt of CO₂ equivalent, of which 26.6 kt of CO₂ equivalent are Scope 1 emissions eliminated as a result of direct energy saving initiatives, and 120 kt of CO₂ equivalent are Scope 2 emissions eliminated through deregulated bilateral purchase agreements for low-carbon electricity signed by the Trans-Baikal Division companies. Calculation of the emissions prevented as a result of direct energy saving initiatives is based on this calculation of the 302-4 indicator (the prevented emissions estimated result from reduced energy consumption).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Contribution to the national industry by promoting Russian technology

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/Link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
<td>– Assured</td>
<td>As at 31 December 2022, the Company did not adopt policies or set targets as regards contribution to the national industry.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Waste management

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/Link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>306-1</td>
<td>Waste generation and significant waste-related impacts</td>
<td>78 Assured</td>
<td>Information on waste generation and significant waste-related impacts is disclosed in a breakdown of waste disposal.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306-2</td>
<td>Management of significant waste-related impacts</td>
<td>78, 79 Assured</td>
<td>Information on waste management methods is disclosed in a breakdown stipulated by the Russian law (as part of filling the statistic form 2-TP (waste)). In the GRI terms, hazardous waste is understood as waste of hazard classes 1-4 defined by the Russian law.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306-3</td>
<td>Waste generated</td>
<td>335 Assured</td>
<td>Information on waste management methods is disclosed in a breakdown stipulated by the Russian law (as part of filling the statistic form 2-TP (waste)). In the GRI terms, hazardous waste is understood as waste of hazard classes 1-4 defined by the Russian law.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306-4</td>
<td>Waste diverted from disposal</td>
<td>79, 335 Assured</td>
<td>Partially disclosed (with or without breakdown by incineration with energy recovery and incineration without energy recovery).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>306-5</td>
<td>Waste directed to disposal</td>
<td>335 Assured</td>
<td>Partially disclosed (with or without breakdown by incineration with energy recovery and incineration without energy recovery).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## GRI standard Disclosure number Disclosure Page/link Assured by the auditor Omission Comments

### Biodiversity

| 3–3 |  Management of material topics | 88, 311 | Assured |  |
| 304–1 |  Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 90, 93 | Assured | No data is disclosed on the size of Kola MMC operational sites located in the vicinity of protected areas due to no accounting system. The Company will consider disclosure within the next three years. |
| 304–2 |  Significant impacts of activities, products, and services on biodiversity | 90 | Assured | The information on the number of affected (unprotected) species and on the reversibility of the impact is not disclosed as it is subject to the Company’s further research in biodiversity. The Company will consider disclosing this information within three years. |
| 304–3 |  Habitats protected or restored | 84 | Assured | The information on the condition of the restored habitats is not disclosed due to the lack of the accounting system. The Company consider disclosing this information within three years. The information is disclosed in accordance with the practice of land rehabilitation (restoration) as per the Russian laws. The completion of land rehabilitation is confirmed by government authorities in relevant documents. |
| 304–4 |  IUCN Red List species and national conservation list species with habitats in areas affected by operations | 96, 339 | Assured | For Pasvik and Lapland nature reserves, there is no breakdown by vulnerability of protected species in accordance with GRI 304-4 (CR, EN, VU, NT, LC). |

### Health and safety

| 3–3 |  Management of material topics | 112, 312 | Assured |  |
| 403–1 |  Occupational health and safety management system | 112, 115, 118 | Assured |  |

### Health and safety

<p>| 403–2 |  Hazard identification, risk assessment, and incident investigation | 115, 118 | Assured | Identification and assessment of occupational health and safety risks take place at all Group companies covered by the Report on an annual basis or ad hoc as described in the STO KISM 121-211-2017 corporate integrated management standard or similar local standards. The quality for these processes is ensured through compliance of assessment requirements with the above standards. Employees may report workplace hazards through the following channels: • orally to their head; • problem-solving boards available at all sites; • report to an OHS structural unit; • authorised persons present at OHS committee meetings; • staff meetings; • work refusal form. All injuries are investigated by a dedicated commission as stipulated by the national laws. |
| 403–3 |  Occupational health services | 119, 123 | Assured | Contractors work on the Company's sites based on a contract that includes mandatory requirements for occupational health and safety. Before the start of a contractor's work, the Company takes a set of preparatory measures to ensure work safety. During the execution of the contract, the contractor undertakes to provide its employees with personal protective equipment on its own. The contractor ensures that sanitary and epidemiological requirements are met and all necessary OHS measures are taken. In the course of its operations, Nornickel monitors contractor employees' compliance with OHS requirements. In addition, the Company provides contractor employees with access to first aid at first-aid posts on production sites. |
| 403–4 |  Worker participation, consultation, and communication on occupational health and safety | 122 | Assured |  |
| 403–5 |  Worker training on occupational health and safety | 115, 123 | Assured |  |</p>
<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>403–8</td>
<td></td>
<td>Workers covered by an occupational health and safety management system</td>
<td>350</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are no disclosures on the following:
- contractor injury rates due to the lack of accounting for the number of hours worked;
- types and causes of non-fatal injuries due to the lack of consolidated accounting.

The Company will consider developing an appropriate accounting system within the next three years.

Data on total registered injuries is shown using the Company's accounting system based on Russian laws. In addition, the following data for 2022 is disclosed in line with the GRI-driven methodology:
- total number of registered injuries among employees (number of workplace injuries and minor injuries): 257;
- occupational injury rate among employees per million hours worked: 2.21;

Data on total registered injuries among contractors' employees engaged at the Company's sites (number of workplace injuries and minor injuries): 68.

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>403–9</td>
<td></td>
<td>Work-related injuries</td>
<td>116, 348</td>
<td>Not assured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are no disclosures on the following:
- contractor injury rates due to the lack of accounting for the number of hours worked;
- types and causes of non-fatal injuries due to the lack of consolidated accounting.

The Company will consider developing an appropriate accounting system within the next three years.

The information on work-related ill health among contractors is also not disclosed, as it is impossible to unambiguously determine whether the contractor's ill health is directly caused by working at the Company's facilities.

The information on occupational diseases is not disclosed due to the lack of consolidated records. The Company will consider developing an appropriate accounting system within the next three years.

<table>
<thead>
<tr>
<th>Water consumption and wastewater discharge</th>
<th>3–3 Management of material topics</th>
<th>74, 311</th>
<th>Assured</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>303–1 Interactions with water as a shared resource</td>
<td>74, 77, 328</td>
<td>Assured</td>
<td>Supplier relationship as regards impact on water resources is governed by the Company's Supplier Code of Conduct; there may be consultations with customers at customer request.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI standard</td>
<td>Disclosure number</td>
<td>Disclosure Page/link</td>
<td>Assured by the auditor</td>
<td>Omission</td>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td>----------------------</td>
<td>-----------------------</td>
<td>----------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>303–2</td>
<td></td>
<td>74</td>
<td>Assured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management of water discharge-related impacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The wastewater quality standards of the Company are based on Order of the Ministry of Agriculture of Russia No. 552 On Approval of Water Quality Standards for Water Bodies of Fisheries Significance, including Standards for Maximum Permissible Concentrations of Harmful Substances in the Waters of Water Bodies of Fisheries Significance dated 13 December 2016 and Decrease of the Chief State Sanitary Doctor No. 2 On Approval of Sanitary Rules and Norms SanPiN 1.2.3685-21 ‘Hygienic Standards and Requirements for Safety and/or Harmlessness of the Living Environment for People’ dated 28 January 2021.</td>
<td></td>
</tr>
<tr>
<td>303–3</td>
<td></td>
<td>74, 75, 326, 327</td>
<td>Not assured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water withdrawal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The regions where the Company’s assets are located are areas of normal and high water availability. The volume of water withdrawal is recorded using instrumental controls and readings of certified gauges, as well as by indirect methods as may be approved by the relevant territorial office of the Federal Water Resources Agency.</td>
<td></td>
</tr>
<tr>
<td>303–4</td>
<td></td>
<td>74, 76, 331</td>
<td>Not assured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water discharge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All water discharged by the Company is not freshwater (in GRI terminology). In 2022, individual cases of exceeding permissible discharge limits were identified.</td>
<td></td>
</tr>
<tr>
<td>303–5</td>
<td></td>
<td>74, 75</td>
<td>Not assured</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Information on the impact that changes in water volumes of water reservoirs (storage basins) have on water bodies is not collected.</td>
<td></td>
</tr>
</tbody>
</table>

**Industrial environmental safety of production facilities (including tailings dumps)**

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3–3</td>
<td>Management of material topics</td>
<td>81, 127, 311</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Impact of transport on water bodies**

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3–3</td>
<td>Management of material topics</td>
<td>77, 311</td>
<td>Assured</td>
<td></td>
<td>In 2022, there were no significant spills.</td>
</tr>
</tbody>
</table>

**Responsible exploration and land reclamation**

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3–3</td>
<td>Management of material topics</td>
<td>83, 311</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Supply chain responsibility**

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure number</th>
<th>Disclosure Page/link</th>
<th>Assured by the auditor</th>
<th>Omission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3–3</td>
<td>Management of material topics</td>
<td>261, 312</td>
<td>Assured</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### New suppliers that were screened using environmental criteria

In 2022, the existing supply chain due diligence management system applied only to suppliers, processors and transporters of metal-containing mineral feedstock (“mineral suppliers”). As part of the due diligence, eight existing mineral suppliers were assessed in 2022, including against environmental and social criteria. The number of new mineral suppliers to the Company in 2022 is zero. Following the exercise, all audited mineral suppliers met the environmental and social criteria set out in Nornickel’s Supplier Code of Conduct. No significant environmental and social risks have been identified. The Company plans to include other categories of suppliers in the due diligence exercise in 2023–2024.

### Negative environmental impacts in the supply chain and actions taken

### New suppliers that were screened using social criteria

### Negative social impacts in the supply chain and actions taken

### Anti-corruption and business ethics

**205–1** Operations assessed for risks related to corruption

- **GRI standard**: 243, 253
- **Assured**: Yes

No training on anti-corruption practices was conducted for Board members in 2022. Training is scheduled for 2023. No training on anti-corruption practices is provided to external stakeholders; when contracts are signed, counterparties are familiarised with the Anti-Corruption Policy.

**205–2** Communication and training about anti-corruption policies and procedures

- **GRI standard**: 253
- **Assured**: Yes

### Respect for human rights (including those of indigenous minorities)

**401–3** Parental leave

- **GRI standard**: 346
- **Assured**: Yes

The indicator is partially disclosed due to the lack of the accounting system; information is provided about employees on maternity leave and/or childcare leave and on those who returned to work after the leave ended. The Company will consider developing an appropriate accounting system within the next three years.

**402–1** Minimum notice periods regarding operational changes

- **GRI standard**: 138
- **Assured**: Yes

**405–1** Diversity of governance bodies and employees

- **GRI standard**: 132, 325
- **Assured**: Yes

**405–2** Ratio of basic salary and remuneration of women to men

- **GRI standard**: –
- **Assured**: Yes

The indicator is not disclosed due to the lack of the accounting system. The Company will consider developing an appropriate accounting system within the next three years.

**406–1** Incidents of discrimination and corrective actions taken

- **GRI standard**: –
- **Assured**: Yes

No discrimination incidents have been recorded.
Report boundaries

Nornickel has a long and successful track record of preparing sustainability reports. The 2022 Sustainability Report is the nineteenth report prepared by the Company in accordance with the GRI Standards (formerly the Guidelines). During this period, the Company has established an information collection system configured in such a way that entities of Nornickel Group provide information on the topics and aspects of operations where they have significant sustainability impacts. As a result, the boundaries of information consolidation in a sustainability report are easily adjustable for the context of the entities’ operations and differ across material topics.

The reporting boundaries include data on Russian business units. Foreign business units are insignificant in terms of sustainability impacts, except for Norilsk Nickel Harjavalta, a Finnish company of the Group. No data for Norilsk Nickel Harjavalta are included in the 2022 Sustainability Report due to the limited ability to collect information in the new geopolitical environment. However, the Company reasonably believes that not including Norilsk Nickel Harjavalta in the reporting boundaries will not have a material effect on the Group’s performance (Norilsk Nickel Harjavalta’s headcount, occupational injury rate, and key environmental impact indicators are traditionally within 1% of the consolidated figure for Nornickel Group). To ensure transparency of Norilsk Nickel Harjavalta, sustainability data for this asset will be disclosed on the Norilsk Nickel Harjavalta website as a separate set of indicators (ESG Databook).

The Company traditionally does not include investment assets that are outside the Group’s control unless they form a significant part of the Group’s production chain. In 2022, the Company did not carry out any major mergers and acquisitions that would have a significant impact on the reporting boundaries.

1 The reporting year saw a due diligence of Polar Division and Kola MMC.
2 In total, Nornickel Group counts over 80 entities. A detailed list of entities in the perimeter of the Group’s IFRS financial statements is available.
3 A limited number of indicators that include Norilsk Nickel Harjavalta data is included in the reporting boundaries, in which case this is reported in a special note. For reference, the Report also discloses data on the headcount of foreign operations.
## Reporting boundaries for material topics

- All assets of the Subgroup are included
- Assets of the Subgroup with the most significant impacts are included
- Entities of the Subgroup are not included

### Material topics

<table>
<thead>
<tr>
<th>Material topics</th>
<th>GRI disclosures</th>
<th>Norilsk Division</th>
<th>Kola Division</th>
<th>Trans-Baikal Division</th>
<th>Energy Division</th>
<th>Head Office</th>
<th>Other Group assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment and decent working conditions in the regions of operation</td>
<td>201-3</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>202-1, 202-2</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>401-1</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>401-2</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>403-6</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>404-3</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Emissions</td>
<td>305-7</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Training and education</td>
<td>404-1, 404-2</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Innovation projects pursuing sustainable development goals</td>
<td>–</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Contribution to the development of local communities</td>
<td>201-1</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>203-1, 203-2</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>204-1</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>207-1, 207-2, 207-3</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Climate change</td>
<td>201-2</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>302-1, 302-3, 302-4</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td></td>
<td>305-1 – 305-5</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
<tr>
<td>Contribution to the national industry by promoting Russian technology</td>
<td>–</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
<td>♦</td>
</tr>
</tbody>
</table>

---

1 Excluding Norilsk Nickel Harjavalta.
Definition of material topics

Process to determine material topics

When preparing the 2022 Sustainability Report, we identified material topics in accordance with the GRI Standards. The process of identifying material topics included five stages.

Stage 1. Identifying impacts
Stage 2. Assessing impacts
Stage 3. Making a prioritised list of topics
Stage 4. Engaging in dialogue with stakeholders
Stage 5. Approving the final list of material topics

At the first stage, the working group for the Report preparation jointly with external consultants made a base list of the Company’s actual and potential economic, environmental, and social impacts, including those related to human rights.

To assess the identified impacts, we polled a wide range of stakeholders, including internal and external sustainability experts, at the second stage. As a result, 221 respondents were polled in 2022—twice as many as the average number of respondents in recent years.

The poll included questions that helped us assess the list of impacts made by the Company against the key parameters recommended by the GRI Standards: severity, with a breakdown by positive and negative impact; regularity and likelihood; scale and scope.

At the third stage, based on the results of the poll, average scores for two groups of respondents were calculated for all questions: sustainable development experts and other stakeholders. The average correlation between the scores of the two groups of respondents across all questions was 92%.

For each impact, the severity of the impact was determined (average score for impact severity and scope), and the likelihood/regularity of the impact was assessed.

In order to make a list of material topics, impacts were grouped into material topics (see the Prioritised List of Topics table below).

A materiality matrix reflecting the relative significance of the topics was plotted on the Severity of Impact and Likelihood/Regularity of Impact axes.

The Company has set cut-off thresholds for the materiality boundary in the matrix. A value of 5.0 on the sum of coordinate values (rounded) was selected as the cut-off point (~50% of the maximum score). Topics falling below the cut-off point serve as grounds for deeming them insignificant. They are also reported in line with stakeholder needs, but GRI Standards are not mandatory for those topics. As a result of the stage, 16 material topics were identified for disclosure in the 2022 Sustainability Report.

At the fourth stage, the Company conducted stakeholder dialogue to present the materiality matrix to stakeholders.

Stakeholders reviewed the results and made recommendations on the report and the details of topics disclosure in the report.

At the last stage, the working group analysed the materiality assessment results, with due regard to the recommendations provided by the session participants, and finalised the materiality matrix.
<table>
<thead>
<tr>
<th>No.</th>
<th>Topic wording</th>
<th>Operations related to sustainable development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employment and decent working conditions in the regions of operation</td>
<td>Employment and decent working conditions in the regions of operation</td>
</tr>
<tr>
<td>2</td>
<td>Emissions</td>
<td>Emissions of sulphur dioxide and other pollutants</td>
</tr>
<tr>
<td>3</td>
<td>Training and education</td>
<td>Training and education</td>
</tr>
<tr>
<td>4</td>
<td>Innovation projects pursuing sustainable development goals</td>
<td>Innovation projects pursuing sustainable development goals</td>
</tr>
<tr>
<td>5</td>
<td>Contribution to the development of local communities</td>
<td>The Company’s charitable activities targeting local communities (including indigenous minorities) and non-profit organisations to support sustainable development</td>
</tr>
<tr>
<td>6</td>
<td>Climate change</td>
<td>Greenhouse gas emissions</td>
</tr>
<tr>
<td>7</td>
<td>Contribution to the national industry by promoting Russian technology</td>
<td>Contribution to the national industry by promoting Russian technology</td>
</tr>
<tr>
<td>8</td>
<td>Waste management</td>
<td>Generation of industrial waste from operations</td>
</tr>
<tr>
<td>9</td>
<td>Biodiversity</td>
<td>Impact on biodiversity in the regions of industrial operations</td>
</tr>
<tr>
<td>10</td>
<td>Health and safety</td>
<td>DHS risks for employees and contractors Work-related injuries</td>
</tr>
<tr>
<td>11</td>
<td>Water consumption and wastewater discharge</td>
<td>Wastewater discharge to water bodies</td>
</tr>
<tr>
<td>12</td>
<td>Industrial environmental safety of production facilities (including tailings dumps)</td>
<td>Tailings risks</td>
</tr>
<tr>
<td>13</td>
<td>Impact of transport on water bodies</td>
<td>Pollution of water bodies by sea and river transport</td>
</tr>
<tr>
<td>14</td>
<td>Responsible exploration and land reclamation</td>
<td>Land disturbance</td>
</tr>
<tr>
<td>15</td>
<td>Supply chain responsibility</td>
<td>Risks related to the violation of sustainability principles in the supply chain</td>
</tr>
</tbody>
</table>

The final list of material topics contains a number of changes as compared to 2021. The key triggers for the changes were:

- change in the methodology to determine material topics, a new procedure for assessing impacts;
- optimisation of contents, change of focus in disclosure at stakeholder requests, relevant change in the names of topics;
- contextual optimisation (in particular, the topic “Response to the COVID-19 Pandemic” was disclosed in detail in the context of the 2021 reporting year’s events);
- the topic “Compliance” in accordance with the GRI Standards (2020) is mandatory for disclosure and is not subject to the materiality assessment procedure.

### Impacts related to material topics

<table>
<thead>
<tr>
<th>Material topic</th>
<th>Related impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Greenhouse gas emissions</td>
<td>Metals and mining is a highly carbon-intensive industry. The majority of GHG emissions produced by Nornickel operations comes from burning various substances in metallurgy along with fuel combustion as part of power generation and transportation. A global increase in GHG concentration in the air may lead to higher average annual temperatures in Nornickel’s regions of operation, making physical risks related to climate change more likely to materialise. This would ultimately drive up our operating expenses and disrupt production processes.</td>
</tr>
<tr>
<td>Climate change</td>
<td>Development of a climate change monitoring system</td>
<td>A project to develop climate change monitoring is set to raise our awareness of actual and potential changes in soils, which will enable us to proactively identify potentially hazardous defects and deviations and to prevent accidents related to industrial facilities and housing infrastructure across our geography.</td>
</tr>
<tr>
<td></td>
<td>Metals production needed to combat climate change</td>
<td>Nornickel contributes to global transitioning to low-carbon and carbon-free energy by growing the output of PGM needed to advance renewable energy and green transport.</td>
</tr>
<tr>
<td>Emissions</td>
<td>Emissions of sulphur dioxide and other pollutants</td>
<td>Higher sulphur dioxide emissions due to the ramp-up of our production capacities have a negative impact on the air quality and natural ecosystems across our footprint. Our Sulphur Project aimed at production upgrade and sulphur dioxide capture and recovery will be instrumental in improving air quality in our regions of operation.</td>
</tr>
</tbody>
</table>
Waste management: Generation of industrial waste from operations. Inefficient management of industrial waste generated by the Company's operations may compromise the quality of the environment and living standards for local communities. By implementing practices to recycle in-house waste and making efforts to clean up the existing pollution, we can minimise our negative impact on the environment.

Biodiversity: Impact on biodiversity in the regions of industrial operations. Capacity ramp-up and expanding production sites may lead to the degradation of natural habitats and loss of biodiversity across our footprint. Large-scale studies of biodiversity in ecosystems and regular monitoring of the relevant impact will help restore and preserve such biodiversity.

Water consumption and wastewater discharge: Wastewater discharge to water bodies. Excessive wastewater discharge into water bodies may negatively affect the biodiversity of aquatic ecosystems and the well-being of local communities. Water shortages may disrupt Nornickel's production processes and increase operating expenses. We seek to make our management of water resources as efficient as possible to reduce costs and minimise our impact on aquatic biodiversity.

Biodiversity Impact on biodiversity in the regions of industrial operations. Capacity ramp-up and expanding production sites may lead to the degradation of natural habitats and loss of biodiversity across our footprint. Large-scale studies of biodiversity in ecosystems and regular monitoring of the relevant impact will help restore and preserve such biodiversity.

Water consumption and wastewater discharge: Wastewater discharge to water bodies. Excessive wastewater discharge into water bodies may negatively affect the biodiversity of aquatic ecosystems and the well-being of local communities. Water shortages may disrupt Nornickel's production processes and increase operating expenses. We seek to make our management of water resources as efficient as possible to reduce costs and minimise our impact on aquatic biodiversity.

Water withdrawal from water bodies. We seek to make our management of water resources as efficient as possible to reduce costs and minimise our impact on aquatic biodiversity.

Industrial environmental safety of production facilities (including tailing dumps): Tailings risks. Tailing dump-related incidents may have a negative impact on nearby ecosystems, as well as our business reputation and financial performance due to additional costs to eliminate the consequences of such incidents. The Company regularly monitors the hydraulic structures of tailing dumps and conducts environmental monitoring on-site and within the impact area to ensure safety of nearby ecosystems.

Industrial environmental safety risks. Incidents related to the operation of Nornickel's industrial sites may have a negative impact on ecosystems in the vicinity of the place of incident, as well as our business reputation and financial performance due to response costs. Stronger environmental management and environmental safety initiatives will help reduce the risk of industrial incidents.

Impact of transport on water bodies. Pollution of water bodies by sea and river transport. Sea and river transport that has an anthropogenic impact on water bodies may also affect endemic ecosystems primarily because such vessels run on fuel.

Responsible exploration and land reclamation: Land disturbance. Greenfield development to step up production may lead to a significant disturbance of land and higher costs of response and rehabilitation. Effective exploration planning, preparing decommissioning roadmaps and putting them into action will be instrumental in reducing these risks.

Social: Employment and decent working conditions. An effective employment policy may cut unemployment rates and increase economic stability in the regions of operation. Failure to duly observe labour practices and respect employee rights may result in materialised reputational and legal risks, including discontinued production operations in the worst case scenario. High employee satisfaction with labour conditions and engagement in discussing production matters help increase motivation and productivity.

Training and education: Payment of taxes to budgets of various levels. By implementing the tax strategy and timely paying taxes to budgets of various levels, we secure economic stability across our geography.

Contribution to the development of local communities. Development of housing, energy, and other infrastructure in the regions of operation. By developing housing, energy and social infrastructure, we help improve social and economic conditions along with living standards in our regions of operation. Establish a constructive dialogue with stakeholders and enhance our reputation.

Health and safety: OHS risks for employees and contractors. Workplace injuries. A high level of workplace hazards and insufficient health and safety efforts may lead to fatalities and severe injuries among the Company's employees and contractors. We can reduce injury risks by developing health and safety management systems and taking steps to foster a corporate culture of safety.

Governance: Innovation projects pursuing sustainable development goals. Innovation projects pursuing sustainable development goals. Innovation projects may have a positive impact on various aspects of sustainable development, including HSE, boost a competitive edge in the long run and strengthen the Company's position in the domestic and international business arena.

Contribution to the national industry through import substitution. Contribution to the national industry through import substitution. By supporting local manufacturers and focusing on import substitution, Nornickel will contribute to the growth of national and regional economies, support stable cash flows for businesses and strengthen ties with its key stakeholders.

Responsible supply chain. Risks related to the violation of sustainability principles in the supply chain. Non-compliance with sustainability principles on the part of suppliers may lead to a whole range of negative impacts on the economy, environment and society within the boundaries of their operations. Nornickel seeks to prevent negative impacts its suppliers may have, as the most critical of them may entail reputational risks and the need to rethink its relations with suppliers as a result.
## SASB METALS&MINING content index

<table>
<thead>
<tr>
<th>Topic</th>
<th>SASB code</th>
<th>Accounting metric</th>
<th>Disclosure</th>
<th>Page/link</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas emissions</td>
<td>EM-MM-110a.1</td>
<td>Gross global Scope 1 emissions</td>
<td>Full</td>
<td>Climate Change and Energy Efficiency</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-110a.2</td>
<td>Percentage covered under emissions-limiting regulations</td>
<td>–</td>
<td>–</td>
<td>No emissions-limiting regulations are imposed in Russia.</td>
</tr>
<tr>
<td>Air quality</td>
<td>EM-MM-120a.1</td>
<td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td>
<td>Full</td>
<td>Climate Change and Energy Efficiency</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Air emissions of the following pollutants:</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CO</td>
<td>Full</td>
<td>Air Pollutant Emissions</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NOx (excluding N2O)</td>
<td>Full</td>
<td>Air Pollutant Emissions</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SOx</td>
<td>Full</td>
<td>Air Pollutant Emissions</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Particulate matter (PM10)</td>
<td>Full</td>
<td>Air Pollutant Emissions</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mercury (Hg)</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lead (Pb)</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Volatile organic compounds (VOCs)</td>
<td>Full</td>
<td>Air Pollutant Emissions</td>
<td>–</td>
</tr>
<tr>
<td>Energy management</td>
<td>EM-MM-130a.1</td>
<td>Total energy consumed</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage grid electricity</td>
<td>Full</td>
<td>Utilisation of Renewable Energy Sources</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage renewable</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td>Water management</td>
<td>EM-MM-140a.1</td>
<td>Total fresh water withdrawn</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total fresh water consumed</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-140a.2</td>
<td>Number of incidents of non-compliance associated with water quality permits, standards, and regulations</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Topic</td>
<td>SASB code</td>
<td>Accounting metric</td>
<td>Disclosure</td>
<td>Page/link</td>
<td>Comment</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-----------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Waste &amp; hazardous materials management</td>
<td>EM-MM-150a.4</td>
<td>Total weight of non-mineral waste generated</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.5</td>
<td>Total weight of tailings produced</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.6</td>
<td>Total weight of waste rock generated</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.7</td>
<td>Total weight of hazardous waste generated</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.8</td>
<td>Total weight of hazardous waste recycled</td>
<td>Full</td>
<td>Appendices</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.9</td>
<td>Number of significant incidents associated with hazardous materials and waste management</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-150a.10</td>
<td>Description of waste and hazardous materials management policies and procedures for active and inactive operations</td>
<td>Full</td>
<td>Sustainable Waste and Tailing Dump Management, Waste Disposal</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biodiversity impacts</td>
<td>EM-MM-160a.1</td>
<td>Description of environmental management policies and practices for active sites</td>
<td>Full</td>
<td>Biodiversity</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-160a.2</td>
<td>Predicted to occur</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Actively mitigated</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-160a.3</td>
<td>Percentage of: Proved reserves in or near sites with protected conservation status or endangered species habitat</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of: Probable reserves in or near sites with protected conservation status or endangered species habitat</td>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Security, human rights &amp; rights of indigenous peoples</td>
<td>EM-MM-210a.1</td>
<td>Percentage of: Proved reserves in or near areas of conflict</td>
<td>Full</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of: Probable reserves in or near areas of conflict</td>
<td>Full</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MM-210a.2</td>
<td>Proved reserves in or near indigenous land</td>
<td>Full</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proved reserves in or near indigenous land</td>
<td>Full</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>EM-MM-210a.3</td>
<td>Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict</td>
<td>Full</td>
<td>Human Rights, Interaction with Indigenous Minorities</td>
<td>–</td>
</tr>
<tr>
<td>Community relations</td>
<td>EM-MM-210b.1</td>
<td>Discussion of process to manage risks and opportunities associated with community rights and interests</td>
<td>Full</td>
<td>Interaction with Indigenous Minorities</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-210b.2</td>
<td>Number and duration of non-technical delays</td>
<td>Full</td>
<td>–</td>
<td>No delays recorded.</td>
</tr>
<tr>
<td>Labour relations</td>
<td>EM-MM-310a.1</td>
<td>Percentage of active workforce covered under collective bargaining agreements, broken down by US and foreign employees</td>
<td>Full</td>
<td>Occupational Health and Safety</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>EM-MM-310a.2</td>
<td>Number and duration of strikes and lockouts</td>
<td>Full</td>
<td>–</td>
<td>No such incidents.</td>
</tr>
</tbody>
</table>

About Company Strategic vision E – Environmental S – Social G – Governance Appendices
<table>
<thead>
<tr>
<th>Topic</th>
<th>SASB code</th>
<th>Accounting metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce health and safety</td>
<td>EM-MM-320a.1</td>
<td>MSHA all-incidence rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fatality rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Near miss frequency rate (NMFR)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contractors</td>
</tr>
<tr>
<td>Business ethics and transparency</td>
<td>EM-MM-510a.1</td>
<td>Description of the management system for prevention of corruption and bribery throughout the value chain</td>
</tr>
<tr>
<td></td>
<td>EM-MM-510a.2</td>
<td>Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index</td>
</tr>
<tr>
<td>Tailing dump management</td>
<td>EM-MM-540a.1</td>
<td>Tailing dump inventory table: facility name, location, ownership status, operational status, construction method, maximum permitted storage capacity, current amount of tailings stored, consequence classification, date of most recent independent technical review, material findings, mitigation measures, site-specific emergency preparedness and response plan (EPRP)</td>
</tr>
<tr>
<td></td>
<td>EM-MM-540a.2</td>
<td>Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailing storage facilities</td>
</tr>
<tr>
<td></td>
<td>EM-MM-540a.3</td>
<td>Approach to development of emergency preparedness and response plans (EPRPs) for tailing dumps</td>
</tr>
<tr>
<td>Activity metric</td>
<td>EM-MM-000.A</td>
<td>Production of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metal ores</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Finished metal products</td>
</tr>
<tr>
<td>Activity metric</td>
<td>EM-MM-000.B</td>
<td>Total number of employees, percentage of contractors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Page/link</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full</td>
<td>Workplace Injuries</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>Workplace Injuries</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>Workplace Injuries</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>OHS Training</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>Business Ethics and Anti-corruption</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>–</td>
<td>We do not operate in such countries.</td>
</tr>
<tr>
<td>Partial</td>
<td>Waste Disposal</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>Waste Disposal</td>
<td>–</td>
</tr>
<tr>
<td>Full</td>
<td>Waste Disposal</td>
<td>–</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Not disclosed</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Partial</td>
<td>Staff Composition</td>
<td>–</td>
</tr>
</tbody>
</table>
## UNCTAD Guidance on core indicators for entity reporting on contribution towards implementation of the UN SDGs

<table>
<thead>
<tr>
<th>UNCTAD indicator</th>
<th>Page</th>
<th>Disclosure status</th>
<th>Information/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Economic indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1 Revenue and/or (net) added value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.1.1: revenue</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 1,184.5 bn</td>
</tr>
<tr>
<td>A.1.2: added value</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 902.6 bn</td>
</tr>
<tr>
<td>A.1.3: net added value</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 828.9 bn</td>
</tr>
<tr>
<td>A.2 Payments to the Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.2.1: taxes and other payments to the Government</td>
<td>–</td>
<td>Disclosed</td>
<td></td>
</tr>
<tr>
<td>A.3 New investment/expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.3.1: green investment</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 82.2 bn</td>
</tr>
<tr>
<td>A.3.2: community investment</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 48.5 bn</td>
</tr>
<tr>
<td>A.3.3: total expenditures on research and development</td>
<td>–</td>
<td>Disclosed</td>
<td>RUB 84.3 mn</td>
</tr>
<tr>
<td>A.4 Local supplier/purchasing programmes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.4.1: percentage of local procurement</td>
<td>–</td>
<td>Partially disclosed</td>
<td>Data is collected for materials and supplies only. As for other procurement categories, there is no centralised data collection broken down by the location of suppliers. Materials and supplies procured from Russian suppliers make 95% of total procurements in this category.</td>
</tr>
</tbody>
</table>

### B Environmental indicators

#### B.1 Sustainable use of water

- **B.1.1** water recycling and reuse – Disclosed 82%
- **B.1.2** water use efficiency – Disclosed The ratio between water withdrawal and net added value is 400 m³/RUB mn
- **B.1.3** water stress – Disclosed No water is withdrawn in water-scarce areas.

#### B.2 Waste management

- **B.2.1** reduction of waste generation – Disclosed In 2022, waste generation increased to 186.3 mt from 158.4 mt in 2021. The ratio between waste generation and net added value increased from 160 t to 201 t/RUB mn
- **B.2.2** waste reused, re-manufactured and recycled – Disclosed In 2022, the amount of waste recycled increased to 33 mt from 23.7 mt in 2021. The ratio between waste recycling and net added value increased from 19 t to 36 t/RUB mn
- **B.2.3** hazardous waste – Disclosed In 2022, hazard classes I–IV waste generation increased to 1,151.2 thousand t from 1,492.8 thousand t in 2021. The ratio between such waste generation and net added value went up from 1.53 t to 1.86 t/RUB mn

#### B.3 Greenhouse gas emissions

- **B.3.1** greenhouse gas emissions (scope 1) – Disclosed The absolute relative amount of Scope 1 greenhouse gas emissions decreased from 6.3 t to 5.9 t of CO₂ equivalent per RUB mn of net added value
- **B.3.2** greenhouse gas emissions (scope 2) – Disclosed The absolute relative amount of Scope 2 greenhouse gas emissions remained flat at 0.5 t of CO₂ equivalent per RUB mn of net added value

#### B.4 Ozone-depleting substances and chemicals

- **B.4.1** ozone-depleting substances and chemicals – Disclosed No emissions
<table>
<thead>
<tr>
<th>UNCTAD indicator</th>
<th>Page</th>
<th>Disclosure status</th>
<th>Information/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.5 Energy consumption</td>
<td>B.5.1: renewable energy</td>
<td>Partially disclosed</td>
<td>The Report discloses the amount of electric power generated by HPPs and its share in total energy consumption. The current metering system does not allow the disclosure to be made in full compliance with UNCTAD guidelines. Along with in-house generation, Norilsk Group purchases electric power from third parties connected to Russia’s unified energy system. In 2022, the share of power from renewable sources amounted to 51% for the Group and 52% for assets in the Norilsk Industrial District. For more details, please see the Climate Change and Energy Efficiency section. Share of renewable energy in the Norilsk Industrial District’s total energy consumption: • Total electricity consumption: 6.59 bn kWh • including HPP generated: 3.8 bn kWh Electric power sold to retail consumers and third parties in the Norilsk Industrial District: • Total electric power sold to retail consumers and third parties: 1.16 bn kWh • including HPP generated: 649.9 mln kWh</td>
</tr>
<tr>
<td>B.5.2: energy efficiency</td>
<td>-</td>
<td>Disclosed</td>
<td>In 2022, the ratio between total energy consumption by the Group and net added value was 0.18 TJ / RUB mln</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UNCTAD indicator</th>
<th>Page</th>
<th>Disclosure status</th>
<th>Information/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>C Social area</td>
<td>C.1: Gender equality</td>
<td>C.1.1: proportion of women in managerial positions</td>
<td>Partially disclosed</td>
</tr>
<tr>
<td></td>
<td>C.2 Human capital</td>
<td>C.2.1: average hours of training per year per employee</td>
<td>Disclosed</td>
</tr>
<tr>
<td></td>
<td>C.2.2: expenditure on employee training per year per employee</td>
<td>Disclosed</td>
<td>Expenditure on employee training per year per employee: For all employee categories – RUB 18,500 thsd Blue-collar employees – RUB 10,400 thsd Managers – RUB 19,900 thsd White-collar employees – RUB 22,000 thsd</td>
</tr>
<tr>
<td></td>
<td>C.2.3: employee wages and benefits with breakdown by employment type and gender</td>
<td>Partially disclosed</td>
<td>Data is disclosed on wages and remuneration package (excluding insurance contributions); the data disclosed is broken down by region. There is no statistics on wages and benefits broken down by labour contract type, employment type, age or gender.</td>
</tr>
<tr>
<td></td>
<td>C.3 Employee health and safety</td>
<td>C.3.1: expenditures on employee health and safety</td>
<td>Disclosed</td>
</tr>
<tr>
<td></td>
<td>C.3.2: frequency/incident rates of occupational injuries</td>
<td>Partially disclosed</td>
<td>The Report discloses information about the occupational injury rate and lost day rate in accordance with the GRI requirements.</td>
</tr>
</tbody>
</table>
TCFD disclosures

**Section** | **Disclosure** | **Page** | **Assured by the auditor**
--- | --- | --- | ---
**Governance** | Describe the Board’s oversight of climate-related risks and opportunities | 53 | Assured
 | Describe the management’s role in assessing and managing climate-related risks and opportunities | 53, 231 | Assured
**Strategy** | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term | 57 | Not assured
 | Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning | 27, 49 | Assured
 | Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | 22, 28, 59 | Not assured
**Risk management** | Describe the organisation’s processes for identifying and assessing climate-related risks | 57, 239 | Not assured
 | Describe the organisation’s processes for managing climate-related risks | 60, 238 | Assured
 | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management | 238 | Assured
**Metrics and targets** | Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | 43 | Assured
 | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | 61 | Assured
 | Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets | 43 | Assured
GRI quantitative indicators disclosure

Direct economic value generated and distributed\(^1\) (RUB bn)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct economic value generated</td>
<td>734.6</td>
<td>884.6</td>
<td>1123.3</td>
<td>1324.1</td>
<td>1183.6</td>
</tr>
<tr>
<td>Economic value distributed, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* operating expenses(^5)</td>
<td>228.5</td>
<td>239.1</td>
<td>449.0</td>
<td>281.8</td>
<td>281.0</td>
</tr>
<tr>
<td>* community investments and charity(^6)</td>
<td>12.9</td>
<td>14.4</td>
<td>36.4</td>
<td>76.0</td>
<td>24.9</td>
</tr>
<tr>
<td>* payroll and other employee remuneration and benefits, including payroll taxes</td>
<td>128.8</td>
<td>136.8</td>
<td>146.6</td>
<td>163.6</td>
<td>222.9</td>
</tr>
<tr>
<td>* payments to providers of capital (interest, dividends)(^6)</td>
<td>243.1</td>
<td>383.7</td>
<td>213.8</td>
<td>412.2</td>
<td>202.8</td>
</tr>
<tr>
<td>* gross tax payments</td>
<td>71.3</td>
<td>144.4</td>
<td>144.8</td>
<td>207.6</td>
<td>187.8</td>
</tr>
<tr>
<td>Economic value retained</td>
<td>50.0</td>
<td>-33.8</td>
<td>152.8</td>
<td>152.9</td>
<td>264.1</td>
</tr>
</tbody>
</table>

Structure of the Board of Directors and the Management Board

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Board of Directors</th>
<th>Management Board</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Under 30</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>30–50</td>
<td>5 (38.5%)</td>
<td>3 (23%)</td>
</tr>
<tr>
<td>Over 50</td>
<td>5 (38.5%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

Total water withdrawal (mcm)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total water withdrawal from external sources(^1) from surface water bodies</th>
<th>from underground sources</th>
<th>natural water inflow</th>
<th>Effluents from third parties and from municipal water supplies and other water utilities (excluding NTEC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group’s total</td>
<td>2022</td>
<td>353.1</td>
<td>233.2</td>
<td>24.4</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>351.2</td>
<td>224.9</td>
<td>29.4</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>374.9</td>
<td>259.8</td>
<td>30.9</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>319.3</td>
<td>227.3</td>
<td>26.3</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>356.8</td>
<td>254.3</td>
<td>28.3</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>26.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>29.8</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>25.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>26.5</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>38.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>261.1</td>
<td>217.2</td>
<td>23.9</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>257.9</td>
<td>209.7</td>
<td>28.8</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>286.0</td>
<td>234.6</td>
<td>30.63</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>240.2</td>
<td>212.8</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>269.5</td>
<td>241.2</td>
<td>28.3</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>39.1</td>
<td>12.3</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>32.5</td>
<td>11.1</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>38.2</td>
<td>21.3</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>27.9</td>
<td>13.2</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>32.8</td>
<td>11.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

\(^1\) Calculated on an accrual basis under the IFRS. The Company used an in-house calculation methodology developed in line with the GRI Standards.
\(^2\) Since 2020, this line has included environmental and decommissioning provisions.
\(^3\) Excluding CAPEX.
\(^4\) Taking into account dividends accrued.
\(^5\) Excluding water reused from NTEC networks.
\(^6\) Included in water withdrawal from NTEC.
### Water withdrawal by water source and type in 2022 (mcm)

**Total water withdrawal**: 353.1

- **Water from surface water bodies**, including:
  - fresh water: 233.2
  - other water: 0.0
- **Water from underground sources**, including:
  - fresh water: 24.4
  - other water: 0.0
- **Effluents from third parties and from municipal water supplies and other water utilities (excluding NTE)**, including:
  - fresh water: 33.6
  - other water: 9.2
- **Natural water inflow**, including:
  - fresh water: 61.9
  - other water: 0.0
- **Sea or ocean water**, including:
  - fresh water: 0.0
  - other water: 0.0

---

### Water bodies used for water withdrawal and wastewater discharge

<table>
<thead>
<tr>
<th>Branches and business units</th>
<th>Water bodies used for water withdrawal and the scale of impact associated with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polar Division</td>
<td>Water is withdrawn from the Yenisey River, the water bodies of the Norilsk-Pyasino water system and the Kara Sea.</td>
</tr>
<tr>
<td>Polar Transport Division</td>
<td>Water is withdrawn from the Yenisey River, the water bodies of the Norilsk-Pyasino water system and the Kara Sea.</td>
</tr>
<tr>
<td>Medvezhy Ruchey</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Norilskgazprom</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Norilsktransgaz</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Norilsknickelremont</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Polar Construction Company</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Norilsk Production Support Complex</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>NN Technical Services</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Taimyr Fuel Company</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Yenisey River Shipping Company</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Norilsk Airport</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>NTEC</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Redons</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Lesossibirsk Port</td>
<td>Wastewater is discharged into water bodies of the Yenisey River and Norilsk-Pyasino water system.</td>
</tr>
<tr>
<td>Murmansk Transport Division</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
<tr>
<td>Kola MMC</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
<tr>
<td>Taimyr Fuel Company</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
<tr>
<td>GKR Bystrinskoye</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
<tr>
<td>Vostokgeologiya</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
<tr>
<td>Zapolyaye Health Resort</td>
<td>Wastewater is discharged into water bodies of the Barents Sea.</td>
</tr>
</tbody>
</table>

---

**Notes**:
1. The Company does not make a material impact on the water bodies specified. Water is withdrawn within the established limits. Wastewater is discharged in accordance with the relevant permits and predominantly within the established limits.
### Water use, including water recycling (mcm)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total water used</th>
<th>Including</th>
<th>Water recycled and reused as percentage of total water used (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>utility water</td>
<td>production</td>
<td>Water reused Water recycled</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group’s total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1345.9</td>
<td>21.6</td>
<td>1324.3 27.1 1077.8 82.1</td>
</tr>
<tr>
<td>2021</td>
<td>1280.8</td>
<td>25.2</td>
<td>1255.6 31.6 1052.0 84.6</td>
</tr>
<tr>
<td>2020</td>
<td>1458.1</td>
<td>23.0</td>
<td>1435.1 31.2 1229.0 86.4</td>
</tr>
<tr>
<td>2019</td>
<td>1343.5</td>
<td>18.8</td>
<td>1324.7 30.7 1141.3 87.2</td>
</tr>
<tr>
<td>2018</td>
<td>1412.1</td>
<td>20.1</td>
<td>1392.0 31.5 1178.5 85.7</td>
</tr>
<tr>
<td><strong>Polar Division and Norilskenergo</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>435.6</td>
<td>5.2</td>
<td>430.4 23.4 350.3 85.8</td>
</tr>
<tr>
<td>2021</td>
<td>460.8</td>
<td>14.9</td>
<td>445.9 27.7 384.2 89.3</td>
</tr>
<tr>
<td>2020</td>
<td>471.2</td>
<td>13.6</td>
<td>457.6 27.7 384.2 89.4</td>
</tr>
<tr>
<td>2019</td>
<td>461.2</td>
<td>10.5</td>
<td>450.7 29.4 388.7 90.7</td>
</tr>
<tr>
<td>2018</td>
<td>483.5</td>
<td>12.1</td>
<td>451.4 29.2 389.5 90.4</td>
</tr>
<tr>
<td><strong>NTEC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>715.6</td>
<td>9.9</td>
<td>705.7 0.9 584.2 81.8</td>
</tr>
<tr>
<td>2021</td>
<td>626.9</td>
<td>0.9</td>
<td>626.0 0.9 514.2 82.2</td>
</tr>
<tr>
<td>2020</td>
<td>764.6</td>
<td>0.9</td>
<td>763.6 0.1 641.1 84</td>
</tr>
<tr>
<td>2019</td>
<td>656.5</td>
<td>0.9</td>
<td>655.6 0.1 551.1 84.1</td>
</tr>
<tr>
<td>2018</td>
<td>709.1</td>
<td>1.00</td>
<td>708.1 1.1 578.2 81.7</td>
</tr>
<tr>
<td><strong>Kola MMC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>109.8</td>
<td>1.8</td>
<td>108.0 0.1 88.7 80.9</td>
</tr>
<tr>
<td>2021</td>
<td>102.3</td>
<td>1.8</td>
<td>98.5 0.1 98.4 98.2</td>
</tr>
<tr>
<td>2020</td>
<td>141.4</td>
<td>1.6</td>
<td>139.8 0.2 139.7 98.9</td>
</tr>
<tr>
<td>2019</td>
<td>156.5</td>
<td>1.7</td>
<td>154.9 0.1 150 95.9</td>
</tr>
<tr>
<td>2018</td>
<td>171.6</td>
<td>1.8</td>
<td>169.8 0.0 158.6 92.4</td>
</tr>
</tbody>
</table>
Total effluents\(^1\) and pollutants discharged\(^2\)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total effluents (mcm)</th>
<th>Including</th>
<th>Polutants in effluents (kt)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Insufficiently treated</td>
<td>Contaminated untreated</td>
</tr>
<tr>
<td>Group's total</td>
<td>2022</td>
<td>168.0</td>
<td>34.1</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>193.8</td>
<td>33.8</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>202.4</td>
<td>33.1</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>142.4</td>
<td>26.2</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>164.5</td>
<td>31</td>
</tr>
<tr>
<td>Polar Division and Norilskenergo</td>
<td>2022</td>
<td>23.5</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>37.0</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>33.7</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>23.7</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>35</td>
<td>3.7</td>
</tr>
<tr>
<td>NTEC</td>
<td>2022</td>
<td>95.8</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>88.2</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>104.9</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>74.6</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>91.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Kola MMC</td>
<td>2022</td>
<td>26.7</td>
<td>26.4</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>27.5</td>
<td>25.9</td>
</tr>
<tr>
<td></td>
<td>2020</td>
<td>25.8</td>
<td>25.1</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>22.1</td>
<td>21.8</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>25.8</td>
<td>25.5</td>
</tr>
</tbody>
</table>

\(^1\) Effluents are measured instrumentally with certified gauges and also indirect indicators as approved by the territorial office of the Federal Water Resources Agency.

\(^2\) The main pollutants of the Group include substances dominating in the volume of wastewater: suspended solids, oil products, metals, and nitrogen compounds.
NOx, SOx and other significant air emissions, including their type and weight[^1](kt)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Group’s total</th>
<th>Polar Division</th>
<th>NTEC</th>
<th>Kola MMC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1819.4</td>
<td>1778.9</td>
<td>9.8</td>
<td>16.4</td>
</tr>
<tr>
<td>2021</td>
<td>1646.9</td>
<td>1601.4</td>
<td>12.6</td>
<td>19.6</td>
</tr>
<tr>
<td>2020</td>
<td>1968.1</td>
<td>1857.5</td>
<td>10.1</td>
<td>83.4</td>
</tr>
<tr>
<td>2019</td>
<td>1952.7</td>
<td>1819.2</td>
<td>10.6</td>
<td>110.8</td>
</tr>
<tr>
<td>2018</td>
<td>1926.6</td>
<td>1789.0</td>
<td>11.7</td>
<td>117.4</td>
</tr>
<tr>
<td><strong>NOx</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>9.7</td>
<td>1.1</td>
<td>6.0</td>
<td>1.4</td>
</tr>
<tr>
<td>2021</td>
<td>11.4</td>
<td>0.7</td>
<td>8.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2020</td>
<td>10.0</td>
<td>0.6</td>
<td>6.9</td>
<td>1.6</td>
</tr>
<tr>
<td>2019</td>
<td>10.3</td>
<td>0.5</td>
<td>7.2</td>
<td>1.6</td>
</tr>
<tr>
<td>2018</td>
<td>11.2</td>
<td>0.6</td>
<td>8.0</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Sulphur dioxide</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1778.4</td>
<td>1764.9</td>
<td>0.1</td>
<td>13.1</td>
</tr>
<tr>
<td>2021</td>
<td>1601.4</td>
<td>1585.2</td>
<td>0.1</td>
<td>15.7</td>
</tr>
<tr>
<td>2020</td>
<td>1910.8</td>
<td>1836.9</td>
<td>0.0</td>
<td>73.2</td>
</tr>
<tr>
<td>2019</td>
<td>1989.1</td>
<td>1798.6</td>
<td>0.0</td>
<td>99.4</td>
</tr>
<tr>
<td>2018</td>
<td>1869.6</td>
<td>1764.4</td>
<td>0.0</td>
<td>104.8</td>
</tr>
<tr>
<td><strong>Solids</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>10.7</td>
<td>5.8</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2021</td>
<td>8.9</td>
<td>3.9</td>
<td>0.0</td>
<td>1.2</td>
</tr>
<tr>
<td>2020</td>
<td>14.6</td>
<td>4.1</td>
<td>0.0</td>
<td>6.1</td>
</tr>
<tr>
<td>2019</td>
<td>13.3</td>
<td>4.2</td>
<td>0.0</td>
<td>7.0</td>
</tr>
<tr>
<td>2018</td>
<td>14.5</td>
<td>5.5</td>
<td>0.0</td>
<td>7.6</td>
</tr>
</tbody>
</table>

[^1]: Air pollutant emissions are determined on the basis of the Environmental Monitoring and Industrial Control data; emissions are calculated as per the applicable methodologies using data on feedstock and equipment running time, through sampling and analysing flue gases, direct measurements with gas analysers, etc.
In 2020, Bystrinsky GOK was included in the reporting perimeter after it reached its design capacity in the reporting period. Its significant waste figures are driven by the first stage of the deposit development, which involves large volumes of waste generation, mainly overburden, to support further operations.

### Total weight of waste by type and disposal method (mt)

| Indicator | Total (mt) | Including | | | |
|-----------|------------|-----------|---|---|
| Waste generation | 2022 | 166.3 | 13.9 | 7.3 | 85.1 | 59.1 |
| | 2021 | 156.4 | 13.7 | 7.5 | 85.5 | 49.0 |
| | 2020 | 145.2 | 14.8 | 8.1 | 87.5 | 34.8 |
| | 2019 | 36.4 | 15.6 | 7.9 | – | 12.4 |
| | 2018 | 30.7 | 15.7 | 8.3 | – | 6.6 |
| Waste input from third parties | 2022 | 2.0 | 0.3 | 0.0 | 0.0 | 1.6 |
| | 2021 | 1.6 | 0.3 | 0.0 | 0.0 | 1.2 |
| | 2020 | 1.0 | 0.1 | 0.0 | 0.0 | 0.5 |
| | 2019 | 0.8 | 0.6 | 0.0 | – | 0.06 |
| | 2018 | 3.1 | 3.0 | 0.0 | – | 0.03 |
| In-house waste recovery | 2022 | 30.0 | 8.1 | 4.0 | 4.4 | 13.4 |
| | 2021 | 23.7 | 6.1 | 4.0 | 3.9 | 9.7 |
| | 2020 | 34.3 | 10.5 | 6.1 | 12.1 | 5.2 |
| | 2019 | 22.8 | 14.3 | 4.2 | – | 4.2 |
| | 2018 | 21.6 | 15.8 | 2.5 | – | 3.4 |
| In-house waste treatment | 2022 | 0.0004 | 0.0 | 0.003 | 0.0 | 0.0 |
| | 2021 | 0.0001 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 2020 | 0.004 | 0.0 | 0.002 | 0.0 | 0.0 |
| | 2019 | 0.003 | 0.0 | 0.001 | – | 0.0 |
| | 2018 | 0.006 | 0.0 | 0.006 | – | 0.0 |
| Waste transfer to third parties (for recovery or treatment) | 2022 | 3.1 | 1.8 | 0.02 | 0.002 | 1.3 |
| | 2021 | 5.76 | 5.39 | 0.04 | 0.003 | 0.2 |
| | 2020 | 3.48 | 3.23 | 0.04 | 0.003 | 0.2 |
| | 2019 | 0.50 | 0.24 | 0.014 | – | 0.2 |
| | 2018 | 1.52 | 0.03 | 0.01 | – | 1.5 |

1. In 2020, Bystrinsky GOK was included in the reporting perimeter after it reached its design capacity in the reporting period. Its significant waste figures are driven by the first stage of the deposit development, which involves large volumes of waste generation, mainly overburden, to support further operations.
**Waste management in 2022 by hazard class and waste type (kt)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Hazard class I</th>
<th>Hazard class II</th>
<th>Hazard class III</th>
<th>Hazard class IV</th>
<th>Hazard class V</th>
<th>Total</th>
<th>Including hazard classes I-IV waste (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation</td>
<td>0.02</td>
<td>0.04</td>
<td>5.7</td>
<td>1,529.4</td>
<td>164,742.7</td>
<td>166,277.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Waste generation after processing</td>
<td>0.0</td>
<td>0.0</td>
<td>1.6</td>
<td>1.2</td>
<td>0.0</td>
<td>2.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Waste input from third parties</td>
<td>0.0</td>
<td>0.0</td>
<td>0.9</td>
<td>127.6</td>
<td>1,841.4</td>
<td>1,969.9</td>
<td>6.5</td>
</tr>
<tr>
<td>In-house waste recovery, including</td>
<td>0.0</td>
<td>0.0</td>
<td>1.9</td>
<td>0.2</td>
<td>29,964.7</td>
<td>29,966.7</td>
<td>0.0</td>
</tr>
<tr>
<td>• direct recycling</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>17,812.7</td>
<td>17,812.7</td>
<td>0.0</td>
</tr>
<tr>
<td>• other recovery activities</td>
<td>0.0</td>
<td>0.0</td>
<td>1.9</td>
<td>0.1</td>
<td>12,152.0</td>
<td>12,154.0</td>
<td>0.02</td>
</tr>
<tr>
<td>In-house waste treatment</td>
<td>0.0</td>
<td>0.02</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>0.4</td>
<td>91.8</td>
</tr>
<tr>
<td>Waste transfer to third parties (for processing)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>1.4</td>
<td>9.3</td>
<td>10.8</td>
<td>14.0</td>
</tr>
<tr>
<td>Waste transfer to third parties (for recovery)</td>
<td>0.0</td>
<td>0.0</td>
<td>3.3</td>
<td>18.8</td>
<td>3,078.1</td>
<td>3,100.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Waste transfer to third parties (for treatment)</td>
<td>0.003</td>
<td>0.001</td>
<td>1.0</td>
<td>0.8</td>
<td>0.3</td>
<td>2.2</td>
<td>85.4</td>
</tr>
<tr>
<td>Waste transfer to third parties (for disposal)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>311.9</td>
<td>391.5</td>
<td>703.4</td>
<td>44.3</td>
</tr>
<tr>
<td>Transfer to local municipal solid waste operator</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>15.3</td>
<td>1.3</td>
<td>16.6</td>
<td>92.1</td>
</tr>
<tr>
<td>Waste disposal at in-house waste disposal sites</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>477.3</td>
<td>263.0</td>
<td>740.3</td>
<td>64.5</td>
</tr>
<tr>
<td>Waste handed over for economic utilisation (recovered at intragroup facilities or by contractors)</td>
<td>0.0</td>
<td>0.0</td>
<td>5.2</td>
<td>19.0</td>
<td>33,042.7</td>
<td>33,066.9</td>
<td>0.1</td>
</tr>
<tr>
<td>Waste handed (treated or disposed at intragroup facilities or by contractors)</td>
<td>0.003</td>
<td>0.021</td>
<td>1.4</td>
<td>806.8</td>
<td>665.5</td>
<td>1,473.8</td>
<td>54.8</td>
</tr>
</tbody>
</table>

1 In 2022, the calculation methodology was changed in line with GRI 306-5, with this indicator including landfilling only since 2022.
List of protected species identified in the Company’s impact area

GRI 304-4

List of protected species identified in Norilsk and Energy Divisions’ area of operation based on observations during the warm season (9 species in total)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Animal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whooper swan (Cygnus cygnus)</td>
<td>LC</td>
<td>No</td>
<td>5, a sparse species with groupings of varying degrees of vulnerability and knowledge</td>
<td>No</td>
</tr>
<tr>
<td>White-tailed eagle (Haliaeetus albicilla)</td>
<td>LC</td>
<td>5, Least Concern</td>
<td>5, a rare widespread species</td>
<td>5, a sparse species with recovering populations</td>
</tr>
<tr>
<td>Peregrine falcon (Falco peregrinus)</td>
<td>LC</td>
<td>3, vulnerable</td>
<td>3, a rare, widespread, easily vulnerable species</td>
<td>3, a rare vulnerable species</td>
</tr>
<tr>
<td>Gyrfalcon (Falco rusticolus)</td>
<td>LC</td>
<td>2, endangered</td>
<td>2, a rare, declining, vulnerable species</td>
<td>1, a rare endangered species with sharply declining numbers</td>
</tr>
<tr>
<td>Golden plover (Pluvialis apricaria)</td>
<td>LC</td>
<td>No*</td>
<td>Not listed</td>
<td>No</td>
</tr>
<tr>
<td>Black-throated loon (Gavia arctica)</td>
<td>LC</td>
<td>No*</td>
<td>Not listed*</td>
<td>No</td>
</tr>
<tr>
<td>Bean goose (Anser fabalis)</td>
<td>LC</td>
<td>2, endangered</td>
<td>2, a rare, declining subspecies</td>
<td>No</td>
</tr>
<tr>
<td>Bean goose (Anser fabalis middendorffi)</td>
<td>LC</td>
<td>2, vulnerable</td>
<td>2, a vulnerable declining subspecies</td>
<td>No</td>
</tr>
<tr>
<td><strong>Plants</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern spikemoss (Selaginella selaginoides)</td>
<td>No*</td>
<td>No</td>
<td>2, a vulnerable declining species</td>
<td>No</td>
</tr>
</tbody>
</table>

1 Only the subspecies Pluvialis apricaria apricaria (Linnaeus, 1758) inhabiting the European part of the Russian Federation, is included in the Red Data Book of the Russian Federation.
2 Individual populations of the Central European population (Central Federal District, Novgorod, Pskov, Leningrad and Vologda regions in the Northwestern Federal District and the population from the south of the Far East (Amur and Sakhalin regions, Khabarovsk and Primorye territories) are listed in the Red Data Book of the Russian Federation.
3 Only the Sayan population, which inhabits the south of the Krasnoyarsk Territory, is listed in the Red Data Book of the Krasnoyarsk Territory.

List of rare and protected species identified in the area of Kola Division facilities (4 species in total)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heath spotted-orchid (Dactylorhiza maculata)</td>
<td>LC</td>
<td>No</td>
<td>Biosurveillance</td>
</tr>
<tr>
<td>Fragrant orchid (Gymnadenia conopsea)</td>
<td>LC</td>
<td>No</td>
<td>3</td>
</tr>
<tr>
<td><strong>Animals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whooper swan (Cygnus cygnus)</td>
<td>LC</td>
<td>No</td>
<td>3, rare, near threatened</td>
</tr>
<tr>
<td>Golden eagle (Aquila chrysaetos)</td>
<td>LC</td>
<td>3, vulnerable</td>
<td>3, rare, near threatened</td>
</tr>
</tbody>
</table>

List of rare and protected species identified in the area of Trans-Baikal Division facilities (12 species in total)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Animals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falcated duck (Anas falcata)</td>
<td>NT</td>
<td>2, endangered</td>
<td>1</td>
</tr>
<tr>
<td>Greater spotted eagle (Aquila clanga)</td>
<td>VU</td>
<td>2, endangered</td>
<td>1</td>
</tr>
<tr>
<td>Demoiselle crane (Anthropoides virgo)</td>
<td>LC</td>
<td>2, vulnerable</td>
<td>1, CITES, Appendix II</td>
</tr>
<tr>
<td>Eurasian curlew (Numenius arquata)</td>
<td>EN</td>
<td>2, vulnerable</td>
<td>3</td>
</tr>
<tr>
<td>Yellow-breasted bunting (Emberiza aureola)</td>
<td>CR</td>
<td>2, critically endangered</td>
<td>2</td>
</tr>
<tr>
<td>Hen harrier (Circus cyaneus)</td>
<td>No</td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Chinese bush warbler (Bradypterus taczanovskii)</td>
<td>No</td>
<td>No</td>
<td>4</td>
</tr>
<tr>
<td><strong>Plants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slipper orchid (Cypripedium macranthos)</td>
<td>LC</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Bugbane (Cimicifuga dahurica)</td>
<td>No</td>
<td>No</td>
<td>3</td>
</tr>
<tr>
<td>Dwarf daylily (Hemerocallis minor)</td>
<td>No</td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Lilium pumilum</td>
<td>No</td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Siberian rowan (Sorbus sibirica)</td>
<td>No</td>
<td>No</td>
<td>3</td>
</tr>
</tbody>
</table>

1 Only the subspecies Pluvialis apricaria apricaria (Linnaeus, 1758) inhabiting the European part of the Russian Federation, is included in the Red Data Book of the Russian Federation.
2 Individual populations of the Central European population (Central Federal District, Novgorod, Pskov, Leningrad and Vologda regions in the Northwestern Federal District and the population from the south of the Far East (Amur and Sakhalin regions, Khabarovsk and Primorye territories) are listed in the Red Data Book of the Russian Federation.
3 Only the Sayan population, which inhabits the south of the Krasnoyarsk Territory, is listed in the Red Data Book of the Krasnoyarsk Territory.
List of rare and protected species identified in the area as part of marine surveys in the NSR and at the port of Murmansk (13 species in total)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Murmansk port</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lesser black-backed gull (Larus fuscus)</td>
<td>No</td>
<td>No</td>
<td>5</td>
<td>LC</td>
</tr>
<tr>
<td>NSR (Dudinka-Murmansk)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern gannet (Sula bassana)</td>
<td>No</td>
<td>3</td>
<td>-</td>
<td>LC</td>
</tr>
<tr>
<td>Great cormorant (Phalacrocorax carbo)</td>
<td>No</td>
<td>3</td>
<td>-</td>
<td>LC</td>
</tr>
<tr>
<td>European shag (Phalacrocorax aristotelis)</td>
<td>No</td>
<td>3</td>
<td>3</td>
<td>LC</td>
</tr>
<tr>
<td>Barnacle goose (Branta leucopsis)</td>
<td>No</td>
<td>3</td>
<td>-</td>
<td>LC</td>
</tr>
<tr>
<td>Common eider (Somateria mollissima)</td>
<td>No</td>
<td>5</td>
<td>No</td>
<td>NT</td>
</tr>
<tr>
<td>Peregrine falcon (Falco peregrinus)</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>LC</td>
</tr>
<tr>
<td>Great skua (Catharacta skua)</td>
<td>No</td>
<td>3</td>
<td>-</td>
<td>LC</td>
</tr>
<tr>
<td>Common murre (Uria aalge)</td>
<td>No</td>
<td>-</td>
<td>3</td>
<td>LC</td>
</tr>
<tr>
<td>Horned lark (Eremophila alpestris)</td>
<td>No</td>
<td>3</td>
<td>-</td>
<td>LC</td>
</tr>
<tr>
<td>Mammals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harbour porpoise (Phocoena phocoena)</td>
<td>No</td>
<td>No</td>
<td>4</td>
<td>LC</td>
</tr>
<tr>
<td>Common minke whale (Balaenoptera acutorostrata)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>LC</td>
</tr>
<tr>
<td>Large whale sp, humpback whale (Megaptera novaengliae) or fin whale (Balaenoptera physalus)</td>
<td>No</td>
<td>No</td>
<td>1 (2)¹</td>
<td>LC/VU</td>
</tr>
</tbody>
</table>

0 – probably extinct; 1 – endangered; 2 – decreasing number; 3 – rare; 4 – uncertain status; 5 – rehabilitated and rehabilitating; 6 – bio surveillance: species needing constant monitoring of their status.

1 According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from benefits; however, in practice, travel expenses are not reimbursed since no vacation is granted to such employees.
2 Work under a fixed-term employment contract.
3 According to the local regulations such categories of employees are excluded from the reimbursement of expenses associated with relocation.
4 According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from the reimbursement of expenses associated with relocation, it is practically possible. No severance pay is provided by mutual agreement.

Social performance
Benefits for employees of Polar Division

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Full-time work</th>
<th>Temporary work²</th>
<th>Seasonal work</th>
<th>Part-time work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of vacation travel expenses (incl. return fare)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>All kinds of financial aid</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Health resort treatment and vacations</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Vouchers for children's wellness recreation tours</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Pension plans</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Termination benefits (apart from those prescribed by the applicable laws)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

¹ According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from benefits; however, in practice, travel expenses are not reimbursed since no vacation is granted to such employees.
² Work under a fixed-term employment contract.
³ According to the local regulations such categories of employees are excluded from the reimbursement of expenses associated with relocation.
⁴ According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from the reimbursement of expenses associated with relocation, it is practically possible. No severance pay is provided by mutual agreement.
According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from benefits; however, in practice, travel expenses are not reimbursed since no vacation is granted to such employees.

According to the local regulations, such categories of employees are excluded from the reimbursement of expenses associated with relocation.

According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from the reimbursement of expenses associated with relocation; it is practically possible. No severance pay is provided by mutual agreement.

Benefits for employees of Kola MMC

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Full-time work</th>
<th>Temporary work¹</th>
<th>Seasonal work²</th>
<th>Part-time work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>full-time work</td>
<td>part-time work</td>
<td>full-time work</td>
<td>part-time work</td>
</tr>
<tr>
<td>Reimbursement of vacation travel expenses (incl. return fare)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>All kinds of financial aid</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Health resort treatment and vacations</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Vouchers for children's wellness recreation tours</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Pension plans</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Termination benefits (apart from those prescribed by the applicable laws)</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>

¹ Travel expenses are not reimbursed since no vacation is granted to such employees.
² According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from the reimbursement of expenses associated with relocation, it is practically possible. No severance pay is provided by mutual agreement.

Headcount by type of employment, gender and region (employees)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
<td>Total</td>
</tr>
<tr>
<td>Total headcount in Russia as at the latest reporting date</td>
<td>83,103</td>
</tr>
<tr>
<td>Contractors whose work is controlled by the Group, as at the latest reporting date</td>
<td>907</td>
</tr>
<tr>
<td>Employees as at the latest reporting date, including:</td>
<td>82,106</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Norilsk Industrial District</td>
<td>55,470</td>
</tr>
<tr>
<td>in the Krasnoyarsk Territory (except for NID)</td>
<td>3,455</td>
</tr>
<tr>
<td>in the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>12,404</td>
</tr>
<tr>
<td>in Moscow and other regions of Russia</td>
<td>6,906</td>
</tr>
<tr>
<td>in the Trans-Baikal Territory</td>
<td>2,861</td>
</tr>
<tr>
<td>Employees working under fixed-term contracts (temporary and seasonal jobs) as at the latest reporting date, including:</td>
<td>4,497</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Norilsk Industrial District</td>
<td>2,709</td>
</tr>
<tr>
<td>in the Krasnoyarsk Territory (except for NID)</td>
<td>136</td>
</tr>
<tr>
<td>in the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>180</td>
</tr>
<tr>
<td>in Moscow and other regions of Russia</td>
<td>1,353</td>
</tr>
<tr>
<td>in the Trans-Baikal Territory</td>
<td>139</td>
</tr>
<tr>
<td>Employees working under unlimited contracts (permanent jobs) as at the latest reporting date, including:</td>
<td>77,699</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Norilsk Industrial District</td>
<td>52,761</td>
</tr>
<tr>
<td>in the Krasnoyarsk Territory (except for NID)</td>
<td>3,339</td>
</tr>
<tr>
<td>in the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>12,224</td>
</tr>
<tr>
<td>in Moscow and other regions of Russia</td>
<td>6,653</td>
</tr>
<tr>
<td>in the Trans-Baikal Territory</td>
<td>2,722</td>
</tr>
<tr>
<td>Full-time employees as at the latest reporting date, including:</td>
<td>81,404</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Norilsk Industrial District</td>
<td>54,932</td>
</tr>
<tr>
<td>in the Krasnoyarsk Territory (except for NID)</td>
<td>3,422</td>
</tr>
<tr>
<td>in the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>12,359</td>
</tr>
<tr>
<td>in Moscow and other regions of Russia</td>
<td>7,843</td>
</tr>
<tr>
<td>in the Trans-Baikal Territory</td>
<td>2,848</td>
</tr>
<tr>
<td>Part-time employees as at the latest reporting date, including:</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>in the Norilsk Industrial District</td>
<td>3</td>
</tr>
<tr>
<td>in the Krasnoyarsk Territory (except for NID)</td>
<td>7</td>
</tr>
<tr>
<td>in the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>16</td>
</tr>
<tr>
<td>in Moscow and other regions of Russia</td>
<td>58</td>
</tr>
<tr>
<td>in the Trans-Baikal Territory</td>
<td>4</td>
</tr>
</tbody>
</table>

¹ The Company has no significant seasonal fluctuations in the number of contractors. The year-on-year decline in the number of contractors in 2022 mainly results from the hiring of additional FTEs.

² According to the collective bargaining agreement and local regulations, such categories of employees are not excluded from the reimbursement of expenses associated with relocation, it is practically possible. No severance pay is provided by mutual agreement.
### New and terminated employments (by gender, age and region of operations) in 2022 (employees)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New hires, including:</strong></td>
<td></td>
</tr>
<tr>
<td>• <strong>male</strong></td>
<td>14,926</td>
</tr>
<tr>
<td>• <strong>female</strong></td>
<td>5,800</td>
</tr>
<tr>
<td>• <strong>29 y. o. and below</strong></td>
<td>7,099</td>
</tr>
<tr>
<td>• <strong>30 through 44 y. o.</strong></td>
<td>9,485</td>
</tr>
<tr>
<td>• <strong>45 y. o. and above</strong></td>
<td>4,142</td>
</tr>
<tr>
<td>• In the Norilsk Industrial District</td>
<td>14,693</td>
</tr>
<tr>
<td>• In the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>1,846</td>
</tr>
<tr>
<td>• In the Krasnoyarsk Territory (except for NID)</td>
<td>964</td>
</tr>
<tr>
<td>• In Moscow and other regions of Russia</td>
<td>2,656</td>
</tr>
<tr>
<td>• In the Trans-Baikal Territory</td>
<td>567</td>
</tr>
<tr>
<td>• <strong>Terminated employments, including:</strong></td>
<td></td>
</tr>
<tr>
<td>• <strong>male</strong></td>
<td>10,366</td>
</tr>
<tr>
<td>• <strong>female</strong></td>
<td>3,915</td>
</tr>
<tr>
<td>• <strong>29 y. o. and below</strong></td>
<td>4,032</td>
</tr>
<tr>
<td>• <strong>30 through 44 y. o.</strong></td>
<td>5,546</td>
</tr>
<tr>
<td>• <strong>45 y. o. and above</strong></td>
<td>4,703</td>
</tr>
<tr>
<td>• In the Norilsk Industrial District</td>
<td>10,416</td>
</tr>
<tr>
<td>• In the Kola Peninsula Industrial District (Murmansk Region)</td>
<td>1,345</td>
</tr>
<tr>
<td>• In the Krasnoyarsk Territory (except for NID)</td>
<td>795</td>
</tr>
<tr>
<td>• In Moscow and other regions of Russia</td>
<td>1,308</td>
</tr>
<tr>
<td>• In the Trans-Baikal Territory</td>
<td>417</td>
</tr>
</tbody>
</table>

### Employee outflow ratio by region in 2022 (%)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kola Peninsula Industrial District (Murmansk Region)</td>
<td>19.8</td>
</tr>
<tr>
<td>Krasnoyarsk Territory (excluding NID)</td>
<td>32.8</td>
</tr>
<tr>
<td>Moscow and other regions of Russia</td>
<td>26.5</td>
</tr>
<tr>
<td>Norilsk Industrial District (NID)</td>
<td>18.8</td>
</tr>
<tr>
<td>Trans-Baikal Territory</td>
<td>14.6</td>
</tr>
</tbody>
</table>

### Employee inflow ratio by region in 2022 (%)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kola Peninsula Industrial District (Murmansk Region)</td>
<td>19.8</td>
</tr>
<tr>
<td>Krasnoyarsk Territory (excluding NID)</td>
<td>27.9</td>
</tr>
<tr>
<td>Moscow and other regions of Russia</td>
<td>28.9</td>
</tr>
<tr>
<td>Norilsk Industrial District (NID)</td>
<td>26.5</td>
</tr>
<tr>
<td>Trans-Baikal Territory</td>
<td>19.8</td>
</tr>
</tbody>
</table>

### Employee outflow ratio by gender and age in 2022 (%)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee outflow, total</td>
<td>17.4</td>
</tr>
<tr>
<td>Employee outflow, male</td>
<td>17.9</td>
</tr>
<tr>
<td>Employee outflow, female</td>
<td>16.1</td>
</tr>
<tr>
<td>Employee outflow, 29 y. o. and below</td>
<td>32.3</td>
</tr>
<tr>
<td>Employee outflow, 30 through 44 y. o.</td>
<td>13.1</td>
</tr>
<tr>
<td>Employee outflow, 45 y. o. and above</td>
<td>17.1</td>
</tr>
</tbody>
</table>

### Employee inflow ratio by gender and age in 2022 (%)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee inflow, total</td>
<td>25.2</td>
</tr>
<tr>
<td>Employee inflow, male</td>
<td>25.8</td>
</tr>
<tr>
<td>Employee inflow, female</td>
<td>23.9</td>
</tr>
<tr>
<td>Employee inflow, 29 y. o. and below</td>
<td>63.2</td>
</tr>
<tr>
<td>Employee inflow, 30 through 44 y. o.</td>
<td>25.3</td>
</tr>
<tr>
<td>Employee inflow, 45 y. o. and above</td>
<td>16.6</td>
</tr>
</tbody>
</table>

### Number of employees on maternity and/or childcare leave and those back from maternity and/or childcare leave in 2022

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees on maternity and/or childcare leave as at the year-end, including:</td>
<td></td>
</tr>
<tr>
<td>• <strong>male</strong></td>
<td>1,526</td>
</tr>
<tr>
<td>• <strong>female</strong></td>
<td>1,457</td>
</tr>
<tr>
<td>Employees back from maternity and/or childcare leave over the year, including:</td>
<td></td>
</tr>
<tr>
<td>• <strong>male</strong></td>
<td>592</td>
</tr>
<tr>
<td>• <strong>female</strong></td>
<td>553</td>
</tr>
</tbody>
</table>
### Key occupational injury and occupational disease rates by region and gender in 2022

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Across Norilsk Nickel Group</th>
<th>Kola Peninsula Industrial District</th>
<th>Norilsk Industrial District</th>
<th>Krasnoyarsk Territory (excluding NID)</th>
<th>Trans-Baikal Territory</th>
<th>Moscow and other regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal workplace injuries, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Men</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• Women</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FIFR</td>
<td>0.034</td>
<td>0.12</td>
<td>0.03</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost time workplace injuries, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Men</td>
<td>66</td>
<td>17</td>
<td>43</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>• Women</td>
<td>10</td>
<td>2</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR</td>
<td>0.57</td>
<td>0.92</td>
<td>0.56</td>
<td>0.48</td>
<td>0.41</td>
<td>0.09</td>
</tr>
<tr>
<td>Severe occupational injury rate</td>
<td>0.11</td>
<td>0.17</td>
<td>0.18</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total recorded workplace injuries in accordance with the Russian labour laws (minor + severe + fatal), including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Men</td>
<td>59</td>
<td>17</td>
<td>36</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>• Women</td>
<td>11</td>
<td>2</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Assessment of employees in Russia in 2022 (% of average headcount)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Blue-collar employees</th>
<th>White-collar employees</th>
<th>Managers</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competency assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of employees covered by competency assessment</td>
<td>2.6</td>
<td>31.9</td>
<td>69.9</td>
<td>19.4</td>
</tr>
<tr>
<td>Share of male employees covered by competency assessment</td>
<td>3.0</td>
<td>39.6</td>
<td>71.4</td>
<td>19.3</td>
</tr>
<tr>
<td>Share of female employees covered by competency assessment</td>
<td>1.2</td>
<td>25.2</td>
<td>65.3</td>
<td>19.7</td>
</tr>
<tr>
<td>KPI-based assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of employees covered by KPI-based assessment</td>
<td>0.04</td>
<td>60.1</td>
<td>59.5</td>
<td>22.1</td>
</tr>
<tr>
<td>Share of male employees covered by KPI-based assessment</td>
<td>0.02</td>
<td>56.0</td>
<td>54.3</td>
<td>16.6</td>
</tr>
<tr>
<td>Share of female employees covered by KPI-based assessment</td>
<td>0.1</td>
<td>63.7</td>
<td>75.4</td>
<td>35.9</td>
</tr>
</tbody>
</table>

**GRI 404-3**

**GRI 403-9, 403-10**
### Employees and contractors covered by the corporate Health and Safety Management System (HSMS)

#### Indicator | HSMS coverage | Including HSMS that underwent an internal audit | Including HSMS that underwent an external audit or another independent review
---|---|---|---
Headcount of the Group’s business units covered by HSMS | 79,907 | 77,857 | 30,885

---

#### Headcount of contractors working at the Group’s sites and covered by HSMS

---

#### Share of employees of contractors covered by HSMS in the total headcount of contractors

---

#### Total recorded workplace injuries among contractors’ employees engaged at the Group’s sites, in accordance with the Russian labour laws

---

#### Number of hours worked and absentee rate for Moscow and other regions exclude Zapolyarye Health Resort.

---

### Footnotes:

1. Number of hours worked and absentee rate for Moscow and other regions exclude Zapolyarye Health Resort.

2. Per million hours worked.
## Fines and non-financial sanctions related to environmental and social impacts in 2022

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Total number of fines and non-financial sanctions</th>
<th>Number of non-compliances with laws and/or regulations during the reporting period</th>
<th>Number of non-compliances with laws and/or regulations during the reporting period: cases resulting in fines</th>
<th>Total number of fines for non-compliance with laws and/or regulations paid during the reporting period</th>
<th>Including fines for non-compliance with laws and/or regulations that occurred during the reporting period</th>
<th>Total amount of fines paid during the reporting period, RUB '000</th>
<th>Including fines imposed in the current reporting period, RUB '000</th>
<th>Including fines imposed in previous reporting periods, RUB '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fines and non-financial sanctions</td>
<td>605</td>
<td>292</td>
<td>310</td>
<td>315</td>
<td>272</td>
<td>43</td>
<td>32,023.2</td>
<td>26,973.2</td>
</tr>
<tr>
<td>Environmental laws and regulations</td>
<td>84</td>
<td>40</td>
<td>41</td>
<td>58</td>
<td>38</td>
<td>20</td>
<td>5,106.5</td>
<td>4,036.5</td>
</tr>
<tr>
<td>Anti-competitive behaviour and breach of antitrust laws</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-compliance with labour laws</td>
<td>13</td>
<td>3</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>90.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Non-compliance with health and safety laws</td>
<td>27</td>
<td>18</td>
<td>9</td>
<td>18</td>
<td>17</td>
<td>1</td>
<td>1,500.0</td>
<td>1,370.0</td>
</tr>
<tr>
<td>Non-compliance with consumer protection laws, including with respect to product information and labelling</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-compliance with marketing (advertising) regulations</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-compliance with regulations on the impact of products and services on health and safety</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Failure to timely comply with the improvement notices issued by regulatory authorities</td>
<td>41</td>
<td>23</td>
<td>18</td>
<td>25</td>
<td>22</td>
<td>3</td>
<td>7,440.1</td>
<td>6,960.1</td>
</tr>
<tr>
<td>Non-compliance with fire safety requirements</td>
<td>23</td>
<td>4</td>
<td>19</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>1,020.0</td>
<td>480.0</td>
</tr>
<tr>
<td>Breach of sanitary and epidemiological laws unrelated to product requirements</td>
<td>20</td>
<td>14</td>
<td>6</td>
<td>15</td>
<td>14</td>
<td>1</td>
<td>285.0</td>
<td>275.0</td>
</tr>
<tr>
<td>Breach of capital construction laws</td>
<td>58</td>
<td>25</td>
<td>33</td>
<td>26</td>
<td>22</td>
<td>4</td>
<td>4,205.0</td>
<td>3,565.0</td>
</tr>
<tr>
<td>Breach of industrial safety laws</td>
<td>179</td>
<td>65</td>
<td>114</td>
<td>62</td>
<td>56</td>
<td>6</td>
<td>10,840.0</td>
<td>9,030.0</td>
</tr>
<tr>
<td>Breach of transportation security laws</td>
<td>49</td>
<td>25</td>
<td>24</td>
<td>25</td>
<td>25</td>
<td>0</td>
<td>331.3</td>
<td>331.3</td>
</tr>
<tr>
<td>Other grounds</td>
<td>111</td>
<td>75</td>
<td>36</td>
<td>75</td>
<td>71</td>
<td>4</td>
<td>1,205.4</td>
<td>855.4</td>
</tr>
</tbody>
</table>
Nornickel’s support for initiatives, standards, and participation in associations focused on sustainable development and corporate social responsibility

<table>
<thead>
<tr>
<th>International</th>
<th>UN initiatives</th>
<th>Associations, charters, alliances, and initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• UN Global Compact</td>
<td>• International Platinum Group Metals Association</td>
</tr>
<tr>
<td></td>
<td>• Sustainable Development Goals of the UN 2030 Agenda</td>
<td>• Nickel Institute</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Together for Sustainability (TFS) initiative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible Sourcing Blockchain Network (RSBN)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• European Battery Alliance (EBA)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Russian</th>
<th>UN initiatives</th>
<th>Associations and charters</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• National Global Compact Network</td>
<td>• National Association of International Information Security</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Security Charter for Critical Industrial Facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Social Charter of the Russian Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Anti-Corruption Charter of the Russian Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmental Charter of the Krasnoyarsk Territory</td>
</tr>
</tbody>
</table>

Rating agencies, ESG agencies and indices

• RSPP Responsibility and Transparency index and Sustainable Development Vector Index
# Certification of Corporate Integrated Management System (CIMS)

<table>
<thead>
<tr>
<th>Company</th>
<th>Compliance of the management system with international standards</th>
<th>External audits in 2022</th>
<th>Certification body</th>
<th>Audit results</th>
<th>Certification scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kola MMC</td>
<td>ISO 9001:2015, ISO 14001:2015, ISO 45001:2018</td>
<td>Recertification CIMS audit (April 2022)</td>
<td>Bureau Veritas Certification (BVC)</td>
<td>The audit showed that the stated scope of certification is consistent with the operations carried out by Kola MMC. Kola MMC's commitment to maintaining the performance of and upgrading the CIMS to improve its operation was confirmed</td>
<td>Kola MMC Ore mining and concentration, production of nickel, cobalt and their compounds, precious metal concentrates, sulphuric acid</td>
</tr>
<tr>
<td>Gipronickel Institute</td>
<td>ISO 9001:2015</td>
<td>Surveillance audits were completed at the Head Office of the Institute (St Petersburg) and the Norilsk branch of the Institute (Norilsk)</td>
<td>Societe Generale de Surveillance (SGS)</td>
<td>Gipronickel Institute was certified as compliant with ISO 9001:2015</td>
<td>R&amp;D, design, engineering surveys, engineering and environmental activities, project management in mining, concentration and smelting, and relevant inspection methods; development of standards for non-ferrous metal industry products and their inspection methods; development of reference standards for the composition of non-ferrous metal industry products</td>
</tr>
</tbody>
</table>
Awards and accolades

Responsible production

- Nornickel’s Polar Transport Division won Aleksei Gastev contest for the largest lean manufacturing project in Russia and the CIS.
- Norilsk Nickel Harjavalta Oy was recognised as a responsible cobalt supplier by the Responsible Minerals Initiative.
- The Nickelisation platform won silver in the Open Dialogue category of the EMBRAS 2022 Award and the WOW!HR Award in the Digital Solutions category.
- The COVID-19 rehabilitation treatment programme developed by the Zapolyarye Health Resort won the Top 100 Russian Goods national competition in the Service for the Public category.
- Nornickel won the First National Corporate Sports Award in the category Best Corporate Sports Development Programme in Hard-to-reach Territories (for a company with a headcount of more than 5,000 employees).
- Nornickel was ranked No. 1 in the Polar Index and was among the leaders in AK&M’s social performance rating.
- HeadHunter ranked Nornickel No. 1 in the Best Russian Employer category among metals and mining companies and 12th among all employers in the Russian Federation.
- Nornickel was listed among Russia’s most attractive employers based on a survey conducted by the Russian Public Opinion Research Centre (VCIOM) and Anews.
- Nornickel’s project of baseline biodiversity research and defining the areas of the Company’s environmental impact was recognised as the best practice in the Partnerships for Sustainable Development category.

Social

- The Nickelisation platform won silver in the Open Dialogue category of the EMBRAS 2022 Award and the WOW!HR Award in the Digital Solutions category.
- The COVID-19 rehabilitation treatment programme developed by the Zapolyarye Health Resort won the Top 100 Russian Goods national competition in the Service for the Public category.
- Nornickel won the First National Corporate Sports Award in the category Best Corporate Sports Development Programme in Hard-to-reach Territories (for a company with a headcount of more than 5,000 employees).
- Nornickel was ranked No. 1 in the Polar Index and was among the leaders in AK&M’s social performance rating.
- HeadHunter ranked Nornickel No. 1 in the Best Russian Employer category among metals and mining companies and 12th among all employers in the Russian Federation.
- Nornickel was listed among Russia’s most attractive employers based on a survey conducted by the Russian Public Opinion Research Centre (VCIOM) and Anews.
- Nornickel was ranked among Top 50 blockchain companies by Forbes for the second year in a row.
- A project to create a digital twin of Kola MMC’s Monchegorsk site won the 6th All-Russian competition Team Leaders 2021/22 in the category Information Modelling of Existing Industrial Facilities.
- A system for autonomous and remote control of self-propelled diesel-fuelled equipment at Skality Mine won the Underground Mining Digitalisation category in the Mining Industry 4.0 contest at Mining World Russia. The system also won the Digital Project of the Year category at the 3rd Russian Summit and CDO/CDTO 2022 Awards, and was recognised the best in the Metallurgy and Continuous Production nomination at the Global CIO Awards.
- The Buildings and Structures Monitoring System project won a silver award in the MineDigital competition. The system...

Environmental

- Nornickel made it to the Top 10 of the Environmental Transparency Rating of Metals and Mining Companies following an annual survey conducted by the World Wildlife Fund (WWF).
- The Federal Service for Supervision of Natural Resources awarded a commendation to Nornickel’s teams that organised the arrival of doctors and transportation of injured red-listed predators — two polar bears.
- Nornickel was ranked No. 1 in the Polar Index and was among the leaders in AK&M’s social performance rating.
- Nornickel was listed among Russia’s most attractive employers based on a survey conducted by the Russian Public Opinion Research Centre (VCICOM) and Anews.
- Nornickel was ranked among Top 50 blockchain companies by Forbes for the second year in a row.
- A project to create a digital twin of Kola MMC’s Monchegorsk site won the 6th All-Russian competition Team Leaders 2021/22 in the category Information Modelling of Existing Industrial Facilities.
- A system for autonomous and remote control of self-propelled diesel-fuelled equipment at Skality Mine won the Underground Mining Digitalisation category in the Mining Industry 4.0 contest at Mining World Russia. The system also won the Digital Project of the Year category at the 3rd Russian Summit and CDO/CDTO 2022 Awards, and was recognised the best in the Metallurgy and Continuous Production nomination at the Global CIO Awards.
- The Buildings and Structures Monitoring System project won a silver award in the MineDigital competition. The system...

Innovations

- Nornickel was ranked among Top 50 blockchain companies by Forbes for the second year in a row.
- A project to create a digital twin of Kola MMC’s Monchegorsk site won the 6th All-Russian competition Team Leaders 2021/22 in the category Information Modelling of Existing Industrial Facilities.
- A system for autonomous and remote control of self-propelled diesel-fuelled equipment at Skality Mine won the Underground Mining Digitalisation category in the Mining Industry 4.0 contest at Mining World Russia. The system also won the Digital Project of the Year category at the 3rd Russian Summit and CDO/CDTO 2022 Awards, and was recognised the best in the Metallurgy and Continuous Production nomination at the Global CIO Awards.
- The Buildings and Structures Monitoring System project won a silver award in the MineDigital competition. The system...

Sustainability reporting awards

- Moscow Exchange’s Annual Report Competition – nominee (gold winner) in the Best CSR and Sustainability Report category.
- RAEX Annual Report Competition – Nominee (2nd place) in the Best Sustainability Report category, Laureate (1st place) in the Best Sustainability Report Design category.

Footnote:
1 Awards received in 2022 by Nornickel’s Sustainability Report 2021 (unless otherwise stated).
### List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA1000 SES</td>
<td>Accountability 1000 Stakeholders Engagement Standard</td>
</tr>
<tr>
<td>AA1000AP</td>
<td>Accountability Principles</td>
</tr>
<tr>
<td>AI Use cases</td>
<td>Artificial Intelligence</td>
</tr>
<tr>
<td>AML / CFT / prevention of WMD proliferation</td>
<td>Anti-money laundering / counter-terrorism financing / prevention of proliferation of weapons of mass destruction</td>
</tr>
<tr>
<td>BVC</td>
<td>Bureau Veritas Certification</td>
</tr>
<tr>
<td>CAHRA</td>
<td>Conflict Affected and High Risk Area</td>
</tr>
<tr>
<td>CMS</td>
<td>Corporate Integrated Management System</td>
</tr>
<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
</tr>
<tr>
<td>CMS AS</td>
<td>Control. Management. Security Automated System</td>
</tr>
<tr>
<td>CO2</td>
<td>Carbon dioxide equivalent</td>
</tr>
<tr>
<td>COP27</td>
<td>27th Conference of the Parties</td>
</tr>
<tr>
<td>COSO ERM</td>
<td>The Committee of Sponsoring Organisations of the Treadway Commission Enterprise Risk Management</td>
</tr>
<tr>
<td>CTL</td>
<td>Corporate Trust Line</td>
</tr>
<tr>
<td>Cu</td>
<td>Copper</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earnings Before Interest, Taxes, Depreciation and Amortisation</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EMERCOM</td>
<td>Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, Social and Governance</td>
</tr>
<tr>
<td>FIFR</td>
<td>Fatal-Injury Frequency Rate</td>
</tr>
<tr>
<td>FOCL</td>
<td>Fibre optic communication lines</td>
</tr>
<tr>
<td>FPIC</td>
<td>Free, Prior and Informed Consent</td>
</tr>
<tr>
<td>GMP</td>
<td>Good Manufacturing Practice</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>GHP Protocol</td>
<td>Greenhouse Gas Protocol</td>
</tr>
<tr>
<td>GISP</td>
<td>Global Industry Standard on Tailings Management</td>
</tr>
<tr>
<td>GJ</td>
<td>Gigajoule</td>
</tr>
<tr>
<td>GOK</td>
<td>Mining and processing plant</td>
</tr>
<tr>
<td>GOST</td>
<td>State standard</td>
</tr>
<tr>
<td>GRC</td>
<td>Governance, Risk and Compliance</td>
</tr>
<tr>
<td>GRI</td>
<td>Global Reporting Initiative</td>
</tr>
<tr>
<td>Group</td>
<td>Norilsk Group</td>
</tr>
<tr>
<td>GWP</td>
<td>Global warming potential</td>
</tr>
<tr>
<td>HO</td>
<td>Head Office</td>
</tr>
<tr>
<td>HPP</td>
<td>Hydropower plant</td>
</tr>
<tr>
<td>CHP</td>
<td>Combined heat and power plant</td>
</tr>
<tr>
<td>ICE</td>
<td>Internal combustion engine</td>
</tr>
<tr>
<td>ICMM</td>
<td>International Council on Mining and Metal</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change</td>
</tr>
<tr>
<td>IRMA</td>
<td>Initiative for Responsible Mining Assurance</td>
</tr>
<tr>
<td>ISMS</td>
<td>Information Security Management System</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organisation for Standardisation</td>
</tr>
<tr>
<td>IT</td>
<td>Information technologies</td>
</tr>
<tr>
<td>JDDS</td>
<td>International Union for Conservation of Nature</td>
</tr>
<tr>
<td>JSC</td>
<td>Join Due Diligence Standard</td>
</tr>
<tr>
<td>KSMA</td>
<td>Kola Mining and Metallurgical Company</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicators</td>
</tr>
<tr>
<td>Li-ion</td>
<td>Lithium-ion</td>
</tr>
<tr>
<td>LLC</td>
<td>Limited liability company</td>
</tr>
<tr>
<td>LTCFR</td>
<td>Lost Time Injury Frequency Rate</td>
</tr>
<tr>
<td>Ni</td>
<td>Nickel</td>
</tr>
<tr>
<td>NID</td>
<td>Norilsk Industrial District</td>
</tr>
<tr>
<td>NMP</td>
<td>Nadezhda Metallurgical Plant</td>
</tr>
<tr>
<td>NPO</td>
<td>Non-profit organisation</td>
</tr>
<tr>
<td>NSR</td>
<td>Northern Sea Route</td>
</tr>
<tr>
<td>NTSM</td>
<td>Norilsk-Taimyr Energy Company</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>OHS</td>
<td>Occupational health and safety</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>OJSC</td>
<td>Open joint-stock company</td>
</tr>
<tr>
<td>OPEX</td>
<td>Operational expenditure</td>
</tr>
<tr>
<td>PD</td>
<td>Polar Division</td>
</tr>
<tr>
<td>Pd</td>
<td>Palladium</td>
</tr>
<tr>
<td>PGM</td>
<td>Platinum group metals</td>
</tr>
<tr>
<td>PJSC</td>
<td>Public joint-stock company</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal protective equipment</td>
</tr>
<tr>
<td>Pt</td>
<td>Platinum</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and development</td>
</tr>
<tr>
<td>RMI</td>
<td>Responsible Mining Index</td>
</tr>
<tr>
<td>RSBN</td>
<td>Responsible Sourcing Blockchain Network</td>
</tr>
<tr>
<td>RSPP</td>
<td>Russian Union of Industrialists and Entrepreneurs</td>
</tr>
<tr>
<td>SAP</td>
<td>System Analysis and Programme Development</td>
</tr>
<tr>
<td>SASB</td>
<td>Sustainability Accounting Standards Board</td>
</tr>
<tr>
<td>SDGs</td>
<td>UN Sustainable Development Goals</td>
</tr>
<tr>
<td>SO2</td>
<td>Sulphur oxide</td>
</tr>
<tr>
<td>SRM</td>
<td>Supplier relationship management</td>
</tr>
<tr>
<td>SSP</td>
<td>Shared Socio-Economic Pathways</td>
</tr>
<tr>
<td>TCFD</td>
<td>Task Force on Climate-related Financial Disclosures</td>
</tr>
<tr>
<td>TJ</td>
<td>Terajoule</td>
</tr>
<tr>
<td>TPP</td>
<td>Thermal power plant</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>The United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>UNGP</td>
<td>United Nations Guiding Principles on Business and Human Rights</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organisation</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>VAT</td>
<td>Value added tax</td>
</tr>
<tr>
<td>VCIOM</td>
<td>Russian Public Opinion Research Centre</td>
</tr>
<tr>
<td>VHI</td>
<td>Voluntary health insurance</td>
</tr>
<tr>
<td>VPSHR</td>
<td>Voluntary Principles on Security and Human Rights</td>
</tr>
<tr>
<td>WRI</td>
<td>World Resources Institute</td>
</tr>
</tbody>
</table>
Glossary

Business unit of the Company's Head Office: department, division or any other unit within the organisational structure of the Company's Head Office approved by the President of MMC Norilsk Nickel and/or Senior Vice President for HR, Social Policy and Public Relations.

Certification: confirming compliance of qualitative characteristics with quality standard requirements.

Charitable activities: the Company’s voluntary transfer of property, including cash, free works and services, and other support, to legal entities or individuals free of charge or on preferential terms.

Collective Bargaining Agreement: legal instrument governing social and labour relationships within a company or a sole trader business and signed by the representatives of employees and the employer.

Compliance: conducting business in compliance with applicable national and international legal requirements, regulations, and standards, including corporate policies, procedures, and ethical business practices.

Corporate culture: combination of standards, values and beliefs that determine the way a company addresses the matters of internal integration and external adaptation, guide and motivate daily behaviour of employees, while also transforming under its influence.

Corporate social responsibility (CSR): corporate behaviour philosophy and concept applied by the business community, companies and company representatives to their activities aimed at meeting stakeholder expectations and ensuring sustainable development.

Environmental protection and resource efficiency: corporate programmes aimed at minimising the Company’s environmental impact.

Global Reporting Initiative (GRI): independent organisation developing sustainability reporting guidelines and standards.

Health and safety: occupational health and safety protection system embracing legal, social, economic, organisational, technical, sanitary, hygiene, healthcare, rehabilitation and other activities.

HR management policy: end-to-end integrated HR management system including all stages of employee-employer interaction, from recruitment to retirement and post-retirement support.

HR policy: set of standards, rules, regulations, concepts and goals determining the Company’s HR management practices (personnel planning and record keeping, recruitment, adaptation, training and development, remuneration and incentivisation, performance assessment, social security, etc.) in line with its development strategy.

Human rights due diligence: set of measures that includes assessing impacts and risks in the value chain and conducting business responsibly in order to prevent and mitigate human rights abuses and hold businesses accountable for such abuses in which the businesses may be implicated through their own operations or relationships.

Incentivisation: tools and methods of boosting staff performance and productivity, motivating an employee or a group of employees to achieve corporate goals.

Local communities: population with Russian citizenship.

Mediation: method of alternative dispute resolution based on finding a mutually acceptable solution through the mediation of an impartial third party (independent expert).

Mission: statement of the Company’s goals and objectives that distinguish it from its peers.

Norilsk Industrial District: a territory of municipalities that includes the city of Norilsk, the Taimyrsky Dolgano-Nenetsky Municipal District, and the Turukhansky District.

Norilsk (Norilsk Nickel) Group: for the purpose of the 2022 Sustainability Report, MMC Norilsk Nickel and the totality of operations forming Norilsk Nickel Group. Unless otherwise specified or required by the context, the terms “Company”, “Group”, “Norilsk” or “the Group companies” shall mean Norilsk Nickel Group.

Occupational disease: health disorder caused by a systematic and lasting exposure to workplace factors or a combination of production-specific working conditions.

Payroll budget: total payroll and social payments.

Personnel development: set of initiatives aimed at employee recruitment, adaptation, retention, and fully unlocking their professional and creative potential.

Risk: negative factor that might result from current processes or future events and have a potential impact on the Company’s ability to achieve its goals.

Safe working conditions: working conditions where occupational exposure to harmful and/or hazardous production factors is prevented or controlled within the set limits.

Senior executives: President, Vice Presidents, heads of departments in case of the Head Office, and general directors and their deputies in case of entities located in the Norilsk Industrial District and on the Kola Peninsula.

Social programmes: voluntary corporate initiatives pertaining to employee development and motivation, creating favourable working conditions, promoting corporate culture and charity, and supporting local communities. These initiatives are implemented on a regular basis in line with the Company’s business strategy, and focused on satisfying balanced requests of various stakeholders. From the management perspective, a social programme is a set of initiatives carefully planned in terms of resources, workforce and timeframes, and efficiently addressing the Company’s internal or external social objectives.

Soil thawing: process whereby soil receives heat in a quantity sufficient for its natural negative temperature to increase to 0 °C and also for its disseminated ice to turn to liquid.

Sustainable development: concept developed by the UN that acknowledges the role of business in ensuring sustainable development of the society; a concept of global community development taking into account interests of both present and future generations.
Stakeholder dialogue minutes

Nornickel has been historically engaged in dialogues with stakeholders while drafting sustainability reports. On 15 December 2022, the Company held a foresight dialogue themed “Who needs sustainable development?”.

Stakeholder foresight dialogue minutes:

Date and time: 15 December 2022, 10:00–12:00 am
Format: online conference

Programme:

Item 1. Report: “Nornickel’s contribution to preserving ecosystem biodiversity across its footprint. Safety culture transformation”
Item 2. Report: “Nornickel’s social strategy: goals, targets, and business priorities”
Item 3. Report: “Nornickel’s progress in addressing climate change: relevance for the stakeholders”
Item 4. Report: “Results of surveys to identify material topics for Nornickel’s 2022 Sustainability Report”
Item 5. Report: “Assessment of material topics disclosure in Nornickel’s 2021 Sustainability Report”

---

ITEM 1. Report: "Nornickel's contribution to preserving ecosystem biodiversity across its footprint. Safety culture transformation"

**SPEAKERS:**

Stanislav Seleznev, Vice President for Ecology and Industrial Safety at MMC Norilsk Nickel

Stanislav Seleznev spoke about a positive shift in the Company's and employees' mindset towards environmental and industrial safety.

In 2022, a number of projects were implemented in the field of preserving biodiversity, including the Big Scientific Expedition conducted in collaboration with the Russian Academy of Sciences. Such large-scale expeditions focused on biodiversity assessment had never been conducted in modern Russia before. Nornickel began to implement an agreement with the Russian Federal Agency for Fishery and has already released a substantial amount of rare and valuable fish species into water bodies. Among the unplaned activities, Stanislav Seleznev highlighted the initiative to save polar bears, which was successful. He also emphasised that Nornickel will continue to support specially protected natural areas. Stanislav Seleznev reiterated the Company's intention to continue research in the field of biodiversity in the coming years and called on other companies to join in.

ITEM 2. Report: "Nornickel's social strategy: goals, targets, and business priorities"

**SPEAKERS:**

Larisa Zelkova, Senior Vice President - HR, Social Policy and Public Relations at MMC Norilsk Nickel

Larisa Zelkova talked about Nornickel's new approach in the sphere of corporate social responsibility, reflected in the Company's Sustainable Social Development Strategy. This approach covers the Company's various projects and activities in areas that are socially significant and have public impact. Larisa Zelkova provided an overview of the most ambitious and impactful programmes that are part of Nornickel's wider Sustainable Social Development Strategy, such as the Norilsk renovation programme, corporate healthcare development, a special programme to provide infrastructure investment and support to indigenous peoples of the North, and a programme aimed at developing talents and creating opportunities for employee professional and personal development.

Following Ms Zelkova's report, additional questions were discussed about the impact of the conducted environmental research on the transformation of the Company's environmental protection initiatives across its operations, the achievement of national sustainable development goals, and the implementation of the National Technology Initiative.

ITEM 3. Report: "Nornickel's progress in addressing climate change: relevance for the stakeholders"

**SPEAKERS:**

Vladimir Zhukov, Vice President for Investor Relations and Sustainable Development at MMC Norilsk Nickel

Vladimir Zhukov highlighted the significance of the climate change topic for Nornickel and discussed the Company's intention to follow a climate change adaptation strategy with a focus on managing physical risks. In his report, he presented global climate trends such as the transition to green energy sources, electrification of transportation, and the inevitable increase in physical risks caused by climate change.

Vladimir Zhukov shared insights into the Company's approach to managing climate risks and provided an overview of Nornickel's key tools for adapting to the changing climate. In 2022, Nornickel partnered with the Obukhov Institute of Atmospheric Physics of the Russian Academy of Science to develop climate change scenarios and with experts from the Institute of Economic Forecasting of the Russian Academy of Sciences to develop long-term social and economic forecasts for the global economy. For the past two years, Nornickel has been developing monitoring systems for its buildings and structures built on permafrost, as part of its efforts to adapt to physical risks. The Company plans to equip about 1,500 facilities located in the Norilsk Industrial District with various sensors that will transmit real-time data about any unfavourable changes in the foundations.

Following Mr Zhukov's report, additional questions were discussed about the Company's initiatives aimed at achieving its climate change goals and tools for assessing climate risks.

ITEM 4. Report: "Results of surveys to identify material topics for Nornickel's 2022 Sustainability Report"

**SPEAKERS:**

Svetlana Ivchenko, Head of the Sustainable Development Department of MMC Norilsk Nickel

Svetlana Ivchenko talked about the Company's process for preparing non-financial reporting. Her report covered the reporting standards used, industry-specific standards for the metals and mining sector, as well as significant changes in the GRI standards.

Svetlana Ivchenko also discussed the changes in the process for identifying material topics, emphasising that topics are still selected based on their importance to stakeholders and that the Company's Sustainability Report provides a detailed and structured disclosure of these topics. Based on the results of the 2022 survey, the number of environmental topics identified as material increased, while the number of material topics related to governance decreased.

In conclusion, Svetlana Ivchenko thanked all stakeholders for their engagement with the Company, participation in surveys, and contribution to enhancing sustainable development practices at Nornickel.

Following Ms Ivchenko's report, an additional question was discussed about the Company's plans for implementing new non-financial reporting standards of the IFRS Foundation and the International Sustainability Standards Board (ISSB).

ITEM 5. Report: "Assessment of material topics disclosure in Nornickel's 2021 Sustainability Report"

The participants were asked to rate the quality of the material topics disclosed in the Company's 2021 Sustainability Report on a ten-point scale.

The participants then cast their votes.
## Stakeholder recommendations

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Company response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>From external stakeholders</strong></td>
<td></td>
</tr>
<tr>
<td>Provide more detailed information on the Company’s decarbonisation plans.</td>
<td>Done. Disclosed in the Climate Change and Energy Efficiency section and the climate report.</td>
</tr>
<tr>
<td>Disclose specific measures and/or technologies for achieving climate goals.</td>
<td></td>
</tr>
<tr>
<td>Provide more detailed information about the risks, particularly those that</td>
<td>Partially done. Disclosed in the relevant sections.</td>
</tr>
<tr>
<td>were not managed (and therefore neither prevented nor mitigated) during</td>
<td></td>
</tr>
<tr>
<td>the reporting period.</td>
<td></td>
</tr>
<tr>
<td>Disclose information about the planned scope of environmental protection</td>
<td>Partially done. Disclosed in the Tailings and Waste section.</td>
</tr>
<tr>
<td>initiatives to be implemented in 2023–2025, taking into account the current</td>
<td></td>
</tr>
<tr>
<td>economic environment.</td>
<td></td>
</tr>
<tr>
<td>Provide more detailed information about the best practices in waste management</td>
<td>Partially done. Disclosed in the Strategic Vision section.</td>
</tr>
<tr>
<td>across Nornickel Group.</td>
<td></td>
</tr>
<tr>
<td>Disclose findings of the human rights assessment.</td>
<td></td>
</tr>
<tr>
<td>Hold public hearings on the draft Report.</td>
<td></td>
</tr>
<tr>
<td>Provide more detailed information about the management’s contribution to</td>
<td></td>
</tr>
<tr>
<td>health and safety.</td>
<td></td>
</tr>
<tr>
<td>Conduct a quantitative and qualitative assessment of social investments in</td>
<td></td>
</tr>
<tr>
<td>terms of their actual impact on stakeholders.</td>
<td></td>
</tr>
<tr>
<td>Prepare an abridged version of the Report.</td>
<td></td>
</tr>
<tr>
<td>Conduct independent assurance of the most significant sustainability KPIs.</td>
<td></td>
</tr>
<tr>
<td><strong>From internal stakeholders</strong></td>
<td></td>
</tr>
<tr>
<td>Provide more information about the opportunities created by the Company in its</td>
<td>Done. Disclosed in the Development of Local Communities section.</td>
</tr>
<tr>
<td>regions of operation.</td>
<td></td>
</tr>
<tr>
<td>Ensure that sustainability metrics are aligned with the financial impact and</td>
<td>To be done in the next reports</td>
</tr>
<tr>
<td>published simultaneously with it.</td>
<td></td>
</tr>
<tr>
<td><strong>Anonymous</strong></td>
<td></td>
</tr>
<tr>
<td>Disclose information about the Company’s activities aimed at supporting</td>
<td>Partially done. Disclosed in the Development of Local Communities section.</td>
</tr>
<tr>
<td>education in the regions of its operation.</td>
<td></td>
</tr>
<tr>
<td>Disclose more information about the Company’s programmes for young employees.</td>
<td>Done. Disclosed in the HR Management and Social Partnership section.</td>
</tr>
<tr>
<td>Provide more detailed information about the Company’s activities aimed at</td>
<td>Partially done. Disclosed in the Development of Local Communities section.</td>
</tr>
<tr>
<td>supporting small and medium-sized businesses in the regions of its operation.</td>
<td></td>
</tr>
<tr>
<td>Provide more detailed information about IT projects.</td>
<td>Done. Disclosed in the Research and Development, Digital Technologies section.</td>
</tr>
</tbody>
</table>

### Opinion of the RSPP Council on Non-Financial Reporting
At the request of MMC Norilsk Nickel (the 
Company), the RSPP was asked to assess the Report’s 
compliance with the RSPP (the “Council”) reviewed Norilsk 
Nickel’s 2022 Sustainability Report (the “Report”).

The Company requested the RSPP to 
arrange for the public assurance of the Report, with the Council providing an 
opinion on the materiality and completeness of the Report’s information about 
the Company’s operations from the perspective of the Charter of the 
Russian Business. The Charter sets out key principles at which the Council 
conducted in line with the UN Global Compact, as well as domestic 
standards and guidelines.

The public assurance process took place from 7 to 26 April 2023 based on the Report 
review and assessment by the Council, which issued this Opinion in accordance with its 
approved Procedure for Public Assurance of Corporate Non-Financial 
Reports. The Council members possess all the required competences in corporate 
compliance, international standard setting, and non-financial reporting, complying with 
the ethical requirements for independent assurance work, personal expert opinion rather than the opinion of 
organisations they represent.

The Report was assessed based on the 
below-listed criteria of information materiality and completeness.

Information is considered to be material if 
reflects the company’s efforts to implement the principles of responsible business 

Completeness implies that the Company provides a comprehensive overview of its 
operations, strategy, governance and strategic benchmarks, governance 
systems and structures, stakeholder 
relationship framework, accomplishments, 
key results, and performance indicators.

The procedure for the public assurance of the Report factors in the Company’s 
application of international reporting 
frameworks; this Opinion does not, however, 
provide an opinion on the Market trends in 
metallics taking into account long-term global 
market situations and climate change. The Company disclosed strategic priorities through 2030, key 
towards tangible achievements in the next five years, as well as the measures taken in the reporting period, including 
projects and programmes to improve production 
and energy infrastructure. Initiatives to 
ensure technological independence became a key part of Norilsk Nickel’s digital 
development strategy. Norilsk Nickel participated in the Russian 
Government’s experiment to launch a 
system for remote control over industrial 
infrastructure. The Report features information on the OHS management system and its 
second surveillance audit conducted in the Company’s regions of operation, while 
the audit confirmed the system’s conformity to the ISO 45001:2018 
international standard. Norilsk Nickel 
also presents its corporate governance model and sustainability management system, 
including the related regulatory framework and responsibilities of units across 
their lines of operation. The Company shows 
its commitment to the UN Global Compact 
principles and discloses the key items of the ESG agenda reviewed by the Board of Directors and its committees in the 
reporting year. The Report contains a detailed overview of the 
Company’s operations in relation thereto.

The recommendations made by the Council 
following the public assurance of Norilsk Nickel’s 2022 Report were interested in the 
2022 Report, with disclosures including 
ine information on ESG matters was reviewed by the Board of Directors. The Company 
provided a more detailed description of its 
contribution to 2030 national and corporate 
goals and national projects, while also 
presenting data on its efforts to restore and 
preserve biodiversity, social impact 
and sustainability in its regions of operation and effects of external 
social programmes.

Norilsk Group’s 2022 Sustainability 
Report covers the key areas of responsible 
business conduct in accordance with the 
Council’s principles and discloses the key items of the ESG agenda reviewed by the Board of Directors and its committees in the 
reporting year. The Report contains a detailed overview of the 
Company’s operations in relation thereto.

The recommendations made by the Council 
following the public assurance of Norilsk Nickel’s 2022 Report were interested in the 
2022 Report, with disclosures including 
ine information on ESG matters was reviewed by the Board of Directors. The Company 
provided a more detailed description of its 
contribution to 2030 national and corporate 
goals and national projects, while also 
presenting data on its efforts to restore and 
preserve biodiversity, social impact 
and sustainability in its regions of operation and effects of external 
social programmes.

Norilsk Group’s 2022 Sustainability 
Report covers the key areas of responsible 
business conduct in accordance with the 
Council’s principles and discloses the key items of the ESG agenda reviewed by the Board of Directors and its committees in the 
reporting year. The Report contains a detailed overview of the 
Company’s operations in relation thereto.

The recommendations made by the Council 
following the public assurance of Norilsk Nickel’s 2022 Report were interested in the 
2022 Report, with disclosures including 
ine information on ESG matters was reviewed by the Board of Directors. The Company 
provided a more detailed description of its 
contribution to 2030 national and corporate 
goals and national projects, while also 
presenting data on its efforts to restore and 
preserve biodiversity, social impact 
and sustainability in its regions of operation and effects of external 
social programmes.

Norilsk Group’s 2022 Sustainability 
Report covers the key areas of responsible 
business conduct in accordance with the 
Council’s principles and discloses the key items of the ESG agenda reviewed by the Board of Directors and its committees in the 
reporting year. The Report contains a detailed overview of the 
Company’s operations in relation thereto.

The recommendations made by the Council 
following the public assurance of Norilsk Nickel’s 2022 Report were interested in the 
2022 Report, with disclosures including 
ine information on ESG matters was reviewed by the Board of Directors. The Company 
provided a more detailed description of its 
contribution to 2030 national and corporate 
goals and national projects, while also 
presenting data on its efforts to restore and 
preserve biodiversity, social impact 
and sustainability in its regions of operation and effects of external 
social programmes.

Norilsk Group’s 2022 Sustainability 
Report covers the key areas of responsible 
business conduct in accordance with the 
Council’s principles and discloses the key items of the ESG agenda reviewed by the Board of Directors and its committees in the 
reporting year. The Report contains a detailed overview of the 
Company’s operations in relation thereto.

The recommendations made by the Council 
following the public assurance of Norilsk Nickel’s 2022 Report were interested in the 
2022 Report, with disclosures including 
ine information on ESG matters was reviewed by the Board of Directors. The Company 
provided a more detailed description of its 
contribution to 2030 national and corporate 
goals and national projects, while also 
presenting data on its efforts to restore and 
preserve biodiversity, social impact 
and sustainability in its regions of operation and effects of external 
social programmes.
that the Company completed the Free, Prior and Informed Consent (FPIC) process in the Russian Arctic with respect to the Tukhard development and relocation programme.

Final provisions

The information contained herein generally describes the Group's strategy, responsible business practices and results in sustainable development and corporate social responsibility as well as the supporting governance systems. The Report discloses in detail the results of the Company's efforts to help achieve the UN SDGs by 2030 and targets set out in Russia's national projects, as well as describes the Company's climate risk management and actions to minimise its environmental footprint. An impressive range of social, economic and environmental performance indicators is available to assess in full the Company's contributions to solving local challenges and ways of managing sustainability risks. When making a list of material topics, the Company took into account feedback from stakeholders.

The Report has been prepared in compliance with the GRI Standards (2021). Among others, the Report relies on the following documents: the UN Global Compact, SASB Metals & Mining Sustainability Accounting Standard (2021), UNCTAD Guidance on core indicators for entity reporting on contribution towards implementation of the UN Sustainable Development Goals, recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), RSPP Reference Performance Indicators, Accountability Standards AA1000SES (2015) and AA1000AP (2018).

The 2022 Report is the Company's nineteenth non-financial report, which demonstrates its determination to consistently develop reporting processes and enhance transparency. The Company uses various forms of independent assessment and confirmation of disclosed information (professional audit and public assurance). This reflects the Company's commitment to maintaining the high quality of disclosures.

RECOMMENDATIONS

While acknowledging the Report's strengths, the Council calls attention to some aspects of disclosures' materiality and completeness, which should be addressed in the future reporting cycles.

The Council notes that the recommendations made following the review of the previous reports remain valid and good for use going forward.

The Report highlights Nornickel's contribution to the Labour Productivity national project, but the indicator itself is not included in disclosures. However, this indicator is important as it is used, among other things, in an independent assessment of companies’ performance based on the review of their public reports. The Company and the Siberian Branch of the Russian Academy of Sciences organised the Big Scientific Expedition, a unique large-scale environmental study to assess biodiversity, with identified negative effects and problems included in the Report. Taking into account the relevance of this research, we recommend that future reports disclose decisions made and environmental initiatives held at Nornickel's sites on the basis of the expedition's results.

The Report describes some key strategic goals, including those related to the environment, which is a positive trend in Nornickel's disclosures. This approach should be applied more consistently and extensively in all priority sustainability areas when presenting progress against the strategy in the next reports by comparing planned and actual results.

Even though the Report presents in detail the Company's contribution to the development of local communities, it is advisable to add the following information: social effects and approaches to their evaluation, estimates regarding the sustainability of results in long-term projects, and assessments of changes in the living standards of local communities after solving certain social problems by means of these projects.

The Company gives details on its approach to building a responsible supply chain and increasing the efficiency and transparency of procurement. The next reporting cycles should feature specific examples of how the Company monitors compliance with its requirements on the part of suppliers and contractors and measures taken to ensure their reliability.

The Report shows the Company's considerable efforts invested in selecting material topics for the Report and presents a table illustrating reporting boundaries for these material topics. Given considerable differences in defining the boundaries for topics and assets, we believe it is reasonable for future reports to clarify in detail approaches to defining these boundaries, principles of selecting thresholds and the established ways of differentiation.

While presenting Nornickel's positions in international ESG ratings, reports should also provide more detailed disclosures on the Company's Russian ESG ratings and positions in indices, including those compiled by RSPP, ratings as regards disclosing information about contributions towards the UN SDGs, and other widely recognised mechanisms of assessing the Company's responsibility and sustainability.
Independent assurance report

JSC “Kolyma”
Naberezhnaya Taykovskaya 10
123112 Moscow, Russia
Telephone: +7 (495) 517 4407
Fax: +7 (495) 517 4408

Independent Audit Firm’s Limited Assurance Report on selected GRI indicators and selected TCFD disclosures in the Sustainability Report of PJSC “Mining and Metallurgical Company “Nornickel” for 2022

To the Shareholders of PJSC “Mining and Metallurgical Company “Nornickel”

Introduction

We were engaged by the Management of PJSC “Mining and Metallurgical Company “Nornickel” (hereinafter - “the Management”) to report on GRI indicators and TCFD disclosures (as explained below) in the Sustainability Report of PJSC “Mining and Metallurgical Company “Nornickel” (the Group) for 2022 (hereinafter - “the Report”) in the form of a limited assurance conclusion on whether the Management’s statement that the GRI indicators and TCFD disclosures are prepared in accordance with the applicable criteria (presented in the section “Applicable criteria” of this report) and are free from material misstatement, is, in all material respects, fairly stated.

Our conclusion applies to the following indicators and information:
- the information disclosed in the Report in accordance with the recommendations of TCFD in the Appendices to the Report (disclosures in accordance with the TCFD guidelines) and marked “Assured” in the column “Assured by the auditor” (hereinafter - “selected TCFD disclosures”);
- GRI indicators included in the Report (Appendices to the Report “GRI Content Index”) and marked “Assured” in the column “Assured by the auditor” (hereinafter - selected GRI indicators).

Our conclusion does not extend to any other indicators or information included or disclosed in the Report.

Management’s Responsibilities

Management is responsible for the preparation and presentation of the Report that is free from material misstatement in accordance with the applicable criteria, and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal control system relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. It also includes: determining the Group’s objectives in respect of sustainable development performance and risk management and their impact on the Group’s material issues; selecting and applying appropriate legal, regulatory and other requirements of the Standards used to prepare the Report; and determining and ensuring that the Group’s compliance with the requirements and regulations applicable to its activities, including identifying key stakeholders and their expectations, and their material interests.

In order to maintain adequate records in relation to the information included in the Report, ensuring that staff involved in the preparation of the Report are properly trained, information systems are properly updated and that any changes in the reporting system encompass all key business units.

1 Indicators prepared in accordance with Global Reporting Initiative (GRI) Sustainability Reporting Standards.
2 Disclosure disclosed in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
Requirements and recommendations on the methodology for preparing the Report, as well as necessary reference information contained in the following documents:

- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD);
- Global Reporting Initiative Sustainability Reporting Standards (GRI).  

Management’s Statement

Management states that the selected GRI indicators and selected TCFD disclosures in the Report are prepared in accordance with the criteria used (presented in the section “Applicable criteria” of this assurance report) and are free from misstatement.

Inherent Limitations

Greenhouse Gas quantification is subject to inherent uncertainty because of the incomplete scientific knowledge used to determine emission factors of different gases.
Disclaimer

The information contained herein relies on the data available to MMC Norilsk Nickel as at the date of this Sustainability Report. After this Sustainability Report was prepared, the Company’s operations as well as forecasts and overview of the current situation presented in the Sustainability Report may have been affected by external or other factors, including the escalation of the geopolitical conflict in Ukraine, sanctions imposed by the United States, the European Union, the United Kingdom and other nations against the Russian Federation, Russian individuals and legal entities, Russian Federation’s response to sanctions, economic and other measures introduced to maintain the economic and financial stability of the Russian Federation, the COVID-19 pandemic and other factors beyond the Company’s control. In particular, the United States, the European Union, the United Kingdom, and other nations have imposed export controls against the Russian Federation that restrict, among other things, supply of industrial equipment to the Russian Federation. These export controls may have a negative impact on the manufacturing capabilities of MMC Norilsk Nickel, should it be unable to purchase and deliver equipment to the Russian Federation.

The Sustainability Report discloses the Company’s short-, medium-, and long-term goals and plans. All plans and intentions outlined in this Sustainability Report are provisional and subject, among other things, to a number of economic, political and legal factors, including the factors mentioned above, beyond Norilsk’s control. Forward-looking statements are subject to risks and uncertainties as they refer to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of the Company’s future operational and financial performance, and actual results of the Company’s operations, its financial position, liquidity, prospects, growth, strategy, and the development of the industry in which MMC Norilsk Nickel operates may differ materially from those expressed or implied by the forward-looking statements contained in this Sustainability Report. MMC Norilsk Nickel hereby disclaims any liability for any loss resulting from the use of this Sustainability Report, and assumes no obligation to update any forward-looking statements contained herein.

Information about the market share and other statements regarding the industry in which MMC Norilsk Nickel operates, as well as the Company’s position relative to its competitors are based on publicly available information published by other metals and mining companies or obtained from trade and business organisations and associations. Such data and statements have not been independently verified, and the financial and operating performance metrics of MMC Norilsk Nickel’s competitors used to assess and compare positions may have been calculated differently from the method used by MMC Norilsk Nickel.

This Sustainability Report is not part of a securities advertisement, an offer or invitation to sell, issue or offer the right to sell or subscribe for MMC Norilsk Nickel shares and other securities.

In line with global best practices, the Sustainability Report is also prepared in the XBRL format. Considering that report disclosures in this format are voluntary, the Company does not assume any obligation to comply with any legal requirements for the disclosure of its statements in this format, including obligations to comply with the requirements of UK legislation.

Contacts

Head Office
15, 1st Krasnogvardeysky Drive, Moscow, 123100, Russia
Phone: +7 (495) 787-76-67
Email: gmk@nornik.ru

Sustainable Development Department
Svetlana Ivchenko
Head of Department
Phone: +7 (495) 797-82-50
Email: social_report@nornik.ru

MMC Norilsk Nickel on social media
- vk.com/nornickel_official
- youtube.com/user/NornikOfficial

Norilsk through the eyes of its residents
- www.norilskfilm.com

Corporate website
- https://www.nornickel.com/