

Stakeholder recommendations

Recommendations	Company response
From external stakeholders	
Provide more detailed information on the Company’s decarbonisation plans. Disclose specific measures and/or technologies for achieving climate goals.	Done. Disclosed in the Climate Change and Energy Efficiency section and the climate report.
Provide more detailed information about the risks, particularly those that were not managed (and therefore neither prevented nor mitigated) during the reporting period.	Partially done. Disclosed in the relevant sections.
Disclose information about the planned scope of environmental protection initiatives to be implemented in 2023–2025, taking into account the current economic environment.	Done. Disclosed in the Environmental section.
Provide more detailed information about the best practices in waste management across Nornickel Group.	Partially done. Disclosed in the Tailings and Waste section.
Provide more information on the Company’s divisions.	Partially done. Disclosed in the Strategic Vision section.
Disclose findings of the human rights assessment.	Done. Disclosed in the Human Rights section and the Human Rights Report.
Hold public hearings on the draft Report.	To be done in the next reports
Provide more detailed information about the management’s contribution to health and safety.	To be done in the next reports
Conduct a quantitative and qualitative assessment of social investments in terms of their actual impact on stakeholders.	To be done in the next reports
Prepare an abridged version of the Report.	To be done in the next reports
Conduct independent assurance of the most significant sustainability KPIs.	To be done in the next reports
From internal stakeholders	
Provide more information about the opportunities created by the Company in its regions of operation.	Done. Disclosed in the Development of Local Communities section.
Ensure that sustainability metrics are aligned with the financial impact and published simultaneously with it.	To be done in the next reports
Anonymous	
Disclose information about the Company’s activities aimed at supporting education in the regions of its operation.	Partially done. Disclosed in the Development of Local Communities section.
Disclose more information about the Company’s programmes for young employees.	Done. Disclosed in the HR Management and Social Partnership section.
Provide more detailed information about the Company’s activities aimed at supporting small and medium-sized businesses in the regions of its operation.	Partially done. Disclosed in the Development of Local Communities section.
Provide more detailed information about IT projects.	Done. Disclosed in the Research and Development, Digital Technologies section.

Opinion of the RSPP Council on Non-Financial Reporting



At the request of MMC Norilsk Nickel (the “Company, “Group”, “Nornickel”), the Council on Non-Financial Reporting, ESG Indices and Sustainability Ratings of the Russian Union of Industrialists and Entrepreneurs (RSPP) (the “Council”) reviewed Nornickel Group’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 Social Charter of the Russian Business. The Charter sets out key principles of responsible business conduct aligned with those of the UN Global Compact, as well as domestic and international CSR and sustainability 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 competencies in corporate responsibility, sustainable development and non-financial reporting, comply with the ethical requirements for independence and impartiality, and provide their 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 it reflects the company’s efforts to implement the principles of responsible business conduct set out in the Social Charter of the Russian Business (see www.rspp.ru).

Completeness implies that the Company provides a comprehensive overview of its operations, including the underlying values 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, purport to assess the Report’s compliance with such international frameworks.

The Company is responsible for the information and statements provided in the Report. The accuracy of the Report’s information is beyond the scope of the public assurance procedure.

This Opinion has been prepared for MMC Norilsk Nickel. The Company may use it for both corporate and stakeholder communication purposes by publishing the original version without any changes.

CONCLUSIONS

Based on the review of the Report and the information publicly available on the Company’s official website, assessment by the Council, and a collective discussion of the results of the Report’s independent assessment, the Council confirms as follows:

Nornickel Group’s 2022 Sustainability Report covers the key areas of responsible business conduct in accordance with the principles set out in the Social Charter of the Russian Business, and provides sufficient information about the Company’s operations in relation thereto.

The recommendations made by the Council following the public assurance of Nornickel Group’s 2021 Report were addressed in the 2022 Report, with disclosures including information on ESG matters considered by the Board of Directors. The Company provided a more detailed description of its contribution to 2030 national development goals and national projects, while also presenting data on its efforts to restore and preserve biodiversity, social impact in the regions of operation and effects of external social programmes.

The Company’s 2022 Report contains relevant information relating to the below-listed aspects of responsible business conduct:

Economic freedom and responsibility: The Report presents information on the Company’s assets, production chain, key financial indicators, and measures introduced to minimise risks related to the geopolitical situation in 2022. There is an outlook on consumption of the Company’s

metals taking into account long-term global market trends supporting such outlook and climate change. The Company disclosed strategic priorities through 2030, key objectives and steps taken to achieve them in the reporting period, including programmes to upgrade production and energy infrastructure. Initiatives to ensure technological independence became a new and high-priority focus of Nornickel’s digital development strategy. Nornickel participated in the Russian Government’s experiment to launch a system for remote control over industrial safety. The Report features information on the OHS management system and its second surveillance audit conducted in the reporting year at Nornickel’s divisions. The audit confirmed the system’s conformance to the ISO 45001:2018 international standard. Nornickel 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 map of risks, including those linked to sustainable development, their assessment and mitigation efforts. It also describes the Company’s contribution towards the UN Sustainable Development Goals (SDGs) and national projects in health and healthcare, environmental protection, housing and urban environment, labour productivity and employment, research, digital economy and growth of SMEs, with relevant corporate projects and programmes serving to illustrate such contribution. The Report describes the Company’s anti-corruption and compliance system, including a grievance mechanism, as well as additional procedures on pre-trial dispute resolution based on dialogue and mediation.

Business partnerships: The Report presents a stakeholder map, engagement mechanisms and key 2022 highlights while also listing corporate documents outlining the main principles, obligations and standards of stakeholder engagement. **Investors.** The Company keeps working to expand the pool of retail investors, among other things by holding webinars on the platforms of major retail brokers. **Consumers.** The Report covers the main focus areas of customer relations, including

continuous monitoring of how the Company fulfils relevant contractual obligations. The Company presented the results of customer satisfaction survey in the reporting year, which were in line with the target. The Report’s another topic is fostering cooperation with **government authorities** at all levels. Key highlights in this area include agreements with Rosprirodnadzor on preserving the environment and ensuring environmental safety, as well as cooperation agreements with local authorities in the Company’s regions of operation. The reporting year saw Nornickel implement initiatives as part of the Norilsk renovation project. The Company shared information on its membership in various commissions, expert groups and task forces established by governmental bodies in association with the business community, thus supporting socially important projects. The Report also contains information on activities of business associations and sustainability and corporate responsibility initiatives that Nornickel supports.

Human rights: The Report has a section dedicated to human rights, and the Company’s principles and management approaches in this domain formalised in the Human Rights Policy and other by-laws. To demonstrate how it protects social and labour rights of its employees, the Company described relevant development and social support programmes, measures to ensure decent working conditions, and social partnerships. There is also information on protecting the rights of vulnerable groups and the disabled, who can take advantage of specially arranged employment opportunities. Nornickel discloses how it respects the rights of indigenous peoples, especially their rights to land, resources, culture, spiritual traditions and history, as well as social rights related to improvement of living standards. The Company adopted the Indigenous Peoples’ Rights Policy, which defines Nornickel’s key commitments in this aspect. Nornickel states a zero tolerance approach to any violations of human rights across the supply chain. Nornickel built a five-stage target model for the human rights due diligence and took steps to implement it. As stated by the Company, relevant information is included in a standalone 2022 Human Rights Report. The Report contains details on the grievance procedure and updates to relevant mechanisms following discussions with stakeholders.

Environmental protection and climate change agenda: The Company shares with stakeholders its progress against the Environmental and Climate Change Strategy and activities related to key environmental aspects. In particular, Nornickel defines 2031 strategic goals, shows changes in key indicators of environmental impact, and describes innovations adopted to reduce the Company’s footprint. Detailed information is available on the progress of the Sulphur Programme, including assessment of its social and economic effects. Nornickel presents its climate change policy and governance framework, approaches to managing relevant risks and assessment of carbon footprint based on three scenarios, while also articulating corporate goals and commitments to improve controls in climate risk management. The Report overviews the core elements of the roadmap to comply with the TCFD recommendations, and measures to reduce GHG and pollutant emissions, including the start of developing a new management tool – an internal carbon price. Disclosures also cover principles and risks in managing water resources, measures to monitor waste generation and processing, including tailings management, along with initiatives to ensure continuous power supply of production facilities in adverse climate conditions and improve energy efficiency. The Company’s environmental management framework is also presented in the Report. The reporting year saw yet another surveillance audit, which confirmed compliance of Nornickel’s corporate integrated environmental management system with ISO 14001:2015. Nornickel gives details on its comprehensive approach to developing energy infrastructure, modernisation plan through 2030, and the most essential projects to improve equipment reliability, boost energy efficiency, and increase production output. Energy generation and consumption indicators are also covered in the Report. The Company highlights its consistent efforts to provide the facilities with more economical and green energy sources. In particular, the total share of consumption of from renewable energy sources reached 51% in 2022. The Company analysed possible options for the development of in-house power generation facilities up to 2050 based on low-carbon technologies. As regards biodiversity, the Report specifies relevant goals, management approaches and impact as part of the value chain and facility life cycle. In the reporting year, the Company

and experts from the Siberian Branch of the Russian Academy of Sciences organised the Big Scientific Expedition, a large-scale study into biodiversity in the regions of the Company’s operation. Another step in this area was drafting a corporate standard on conserving and monitoring biodiversity in ecosystems. The Report dwells on Nornickel’s cooperation with nature reserves to develop research and technology and support their social, volunteering and environmental awareness programmes. Environmental protection is also fostered through volunteering, which brings together the Company’s employees, local communities and government authorities.

Contribution to the development of local communities: The Report highlights the Company’s contribution to social, economic and environmental development and collaboration with local governments in the regions where it operates. A dedicated section contains information on key projects, spending on social initiatives and infrastructure, charity and sponsorship along with tax and non-tax payments to budgets of all levels, while also outlining the Company’s employment policy across its key regions of operation. Nornickel discloses its efforts to integrate local businesses into its production chain, and presents projects to develop infrastructure across the regions of operation as part of public-private partnerships and agreements with local governments to create an accessible and comfortable urban environment and improve core types of transportation. The Report also provides a list of documents governing the Company’s external social policy in the regions of operation, information on key 2022 programmes to help local communities (the World of New Opportunities charitable programme, Plant of Goodness corporate volunteering programme, and sports and fitness support initiatives) and examples of themed projects and contests along with feedback from participants. The Company presents focus areas of the Norilsk Development Agency, which carries out its activities in cooperation with local authorities, representatives of local communities, and Nornickel, and five work streams of the Monchegorsk Development Agency. Initiatives to promote tourism and attract visitors to the regions of Nornickel’s presence, statistics for projects with the Russian Arctic residency status, and results of interactions with indigenous minorities are also available. The Report also states

that the Company completed the Free, Prior and Informed Consent (FPIC) process in the Russian Arctic with respect to the Tukhard relocation and development 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 contribution 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.

The Report contains a lot of valuable information. Going forward, it would be a good practice to add its summary containing key messages and highlights with references to the report’s respective sections for more details, in order to deliver information in an easily digestible way and improve navigation in reports.

The RSPP Council on Non-Financial Reporting, ESG Indices and Sustainability Ratings hereby takes a positive view of this Report, supports the Company’s commitment to responsible business practices, notes consistency in developing the reporting process, and confirms that Nornickel Group’s 2022 Sustainability Report has passed the public assurance procedure.

Chairman of the Council on Non-Financial Reporting, ESG Indices and Sustainability Ratings