

Chairman's letter

GRI 2-22



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

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

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

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

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

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

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

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

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

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

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

Andrei Bougrov,
Chairman of the Board of Directors