

President's letter

GRI 2-22



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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