

Strategic approach

Since 2022, the Company has been publishing reports on its progress towards 10 United Nations Global Compact (UNGC) Sustainable Development Goals (SDGs).

Sustainability governance

The Company's sustainability management is based on a matrix structure, with responsibility for specific ESG aspects split among all Nornickel functions. At the same time, most matters are overseen by the Management Board, Board of Directors, and respective committees.

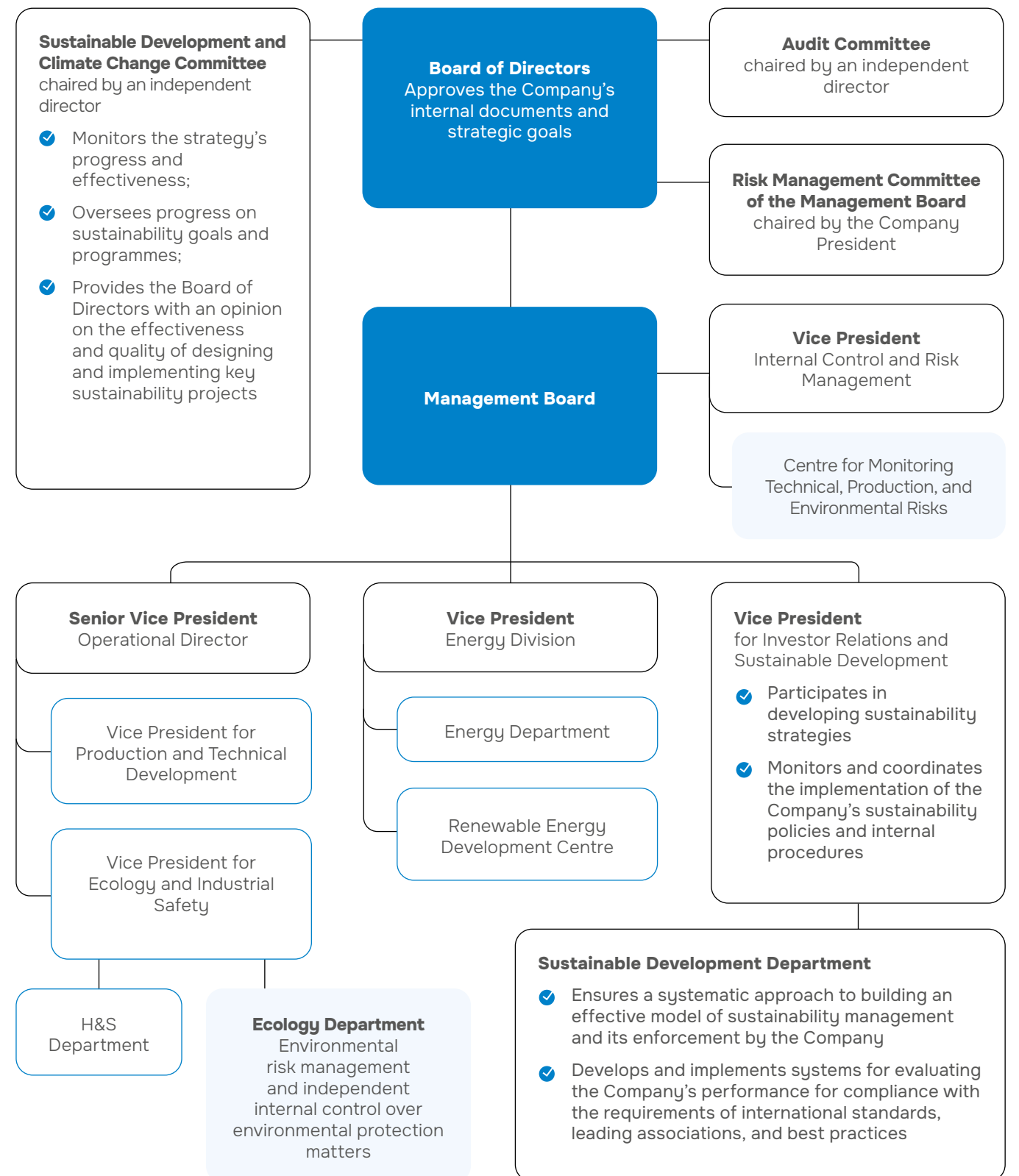
Sustainability-related processes are coordinated by the Sustainable Development Department, headed by the Vice President for Investor Relations and Sustainable Development. At the Board level, the Sustainable Development and Climate Change Committee is responsible for overseeing the evolution of ESG practices.

Contribution to the UN SDGs



For more details on the projects, see [Nornickel's 2023 Sustainability Report](#).

Sustainability management flowchart



ESG projects that received the most funding in 2023:

- ✓ Sulphur Project;
- ✓ Clean Norilsk programme;
- ✓ Norilsk renovation plan;
- ✓ Investments in tourism projects;
- ✓ Range of health and safety initiatives;
- ✓ Corporate Healthcare programme;
- ✓ Digital Investor programme;
- ✓ Range of measures around water management, wastewater collection, treatment, and discharge, and waste management.

Faced with challenges such as managing a workforce of over 70 thousand in the Arctic, a variety of environmental impacts, and commitments to the state and society to build large-scale infrastructure projects, Nornickel consistently pursues sustainability-related initiatives. The Company provides safe living conditions in the Arctic zone, invests in the socio-economic development of its operating regions and community well-being, takes steps to prevent environmental and climate risks as well as climate-related losses

while building open and trust-based relationships with stakeholders and transparent corporate governance.

Sustainability principles underpin the Company's operations and strategic business development and are outlined in [Nornickel's internal documents](#).

In 2023, the Board of Directors adopted the [Socially Sustainable Development Strategy](#) to drive technological and social progress through technology and product innovation. These innovations, in particular, will ensure safe, just, and supportive work environment and

preserve and restore the environment. The Company is committed to providing decent pay, comfortable living conditions, and self-fulfilment opportunities, seeing these factors among the most important drivers of its sustainable development. Nornickel maintains partner relations with the indigenous peoples of the Taimyr and Kola Peninsulas and takes its responsibility for preserving the culture and traditions of the Russian North communities very seriously.

In early 2024, the Board of Directors approved the updated [Environmental and Climate Change Strategy](#).

Achievements and priorities

Key achievements

E environmental protection and climate change

- Reduction of SO₂ emissions on the Kola Peninsula following the shutdown of the Company's smelting operations (down 90% from 2015)
- The lowest CO₂ emission level (Scopes 1, 2, and 3) among global metals and mining peers
- Conducting a pilot climate-related risk assessment and publishing first Climate Change Report

S social responsibility

- Reputation of a socially responsible business
- Comprehensive support for local communities and national projects
- Long track record of supporting indigenous peoples; pioneering the process to obtain their free, prior, and informed consent to projects
- Publishing first Human Rights Report

G governance

- Sustainable corporate governance and risk management
- Integrating ESG targets into short-term and long-term KPIs
- Balanced and effective Board of Directors
- Publishing first Responsible Supply Chain Report

Strategic priorities

- Achieving the key SO₂ reduction milestones for the Norilsk Industrial District
- Clean-up of legacy waste and remediation following environmental incidents in Norilsk
- Assessing biodiversity impact and preparing a scientific rationale for a biodiversity conservation programme
- Further developing the physical risk management system across the Company's footprint
- Supporting environmental initiatives across the Company's footprint

- Zero work-related fatalities
- Employee health and safety
- Preventing social risks for the Company's operations
- Attracting young talent and experienced professionals and reducing the turnover rate to 8% by 2026
- Matching living and working conditions to employees' demands
- Building supply chain transparency on social metrics
- Reducing the impact of operations on indigenous peoples in the regions of operation
- Refurbishment of housing and social infrastructure in Norilsk

- Further integrating sustainability principles into the Company's corporate culture
- Compliance with key international sustainability initiatives
- Developing a framework for managing climate-related risks and opportunities

The Company actively integrates sustainability principles into its corporate culture.

For example, in 2023, Nornickel:

- ✓ delineated the areas exposed to the environmental impact of its operations and studied the plant and animal species inhabiting the Taimyr and Kola Peninsulas and Zabaykalsky Territory, the regions where it operates
- ✓ held trainings on responsible supply chains at its divisions, including on enhancing internal audits in line with ISO 19011:2018 and on conducting supplier audits in line with international standards and ESG principles.

The Company maintains its status as an active participant in Russian and international events on the sustainable development agenda. In 2023, Nornickel speakers took part in the 28th UN Climate Change Conference (COP28), the forum of the UN Economic Commission for Europe in Geneva on sustainable development, human rights, and climate change; the Company also participated in the International Forum on Sustainable Mineral Supply Chains (Chengdu, China).

In the reporting year, Krasnoyarsk hosted the third Siberian Perspective summit organised by Nornickel and supported by the National Council on Corporate Volunteering, the Russian Managers Association, and the Protected Areas Embassy charity foundation. The summit was centred around responsible consumption and supply chains and gathered together more than 200 representatives of businesses and government, experts,

and volunteers, including the Company's suppliers, to discuss the challenges in these areas, as well as the relevant roles and relationships between businesses and consumers.

In 2023, the Company published its 2022 Sustainability Report and specialised reports on human rights, responsible supply chain, and climate change.

[2022 Sustainability Report](#)

[Human Rights Report](#)

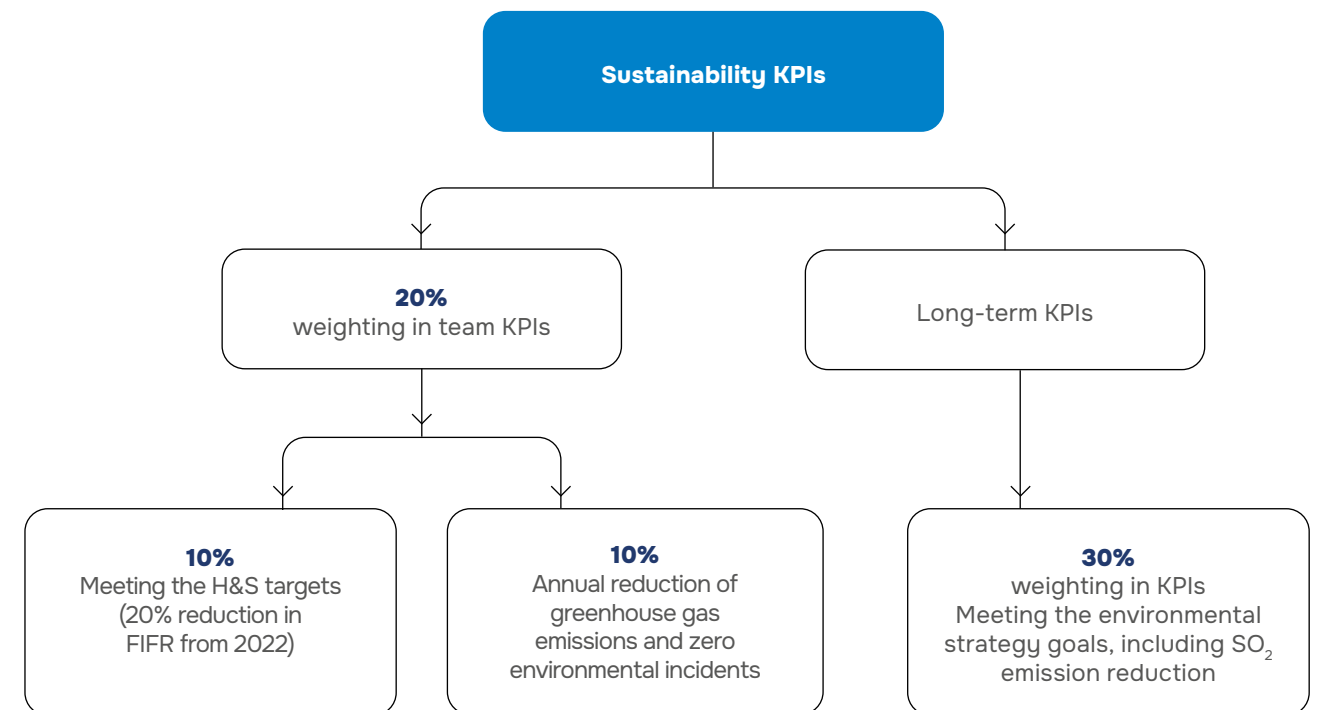
[Responsible Supply Chain Report](#)

[Climate Change Report](#)

In 2024, Nornickel will continue measures to harmonize activities based on leading international standards and guidelines, including:

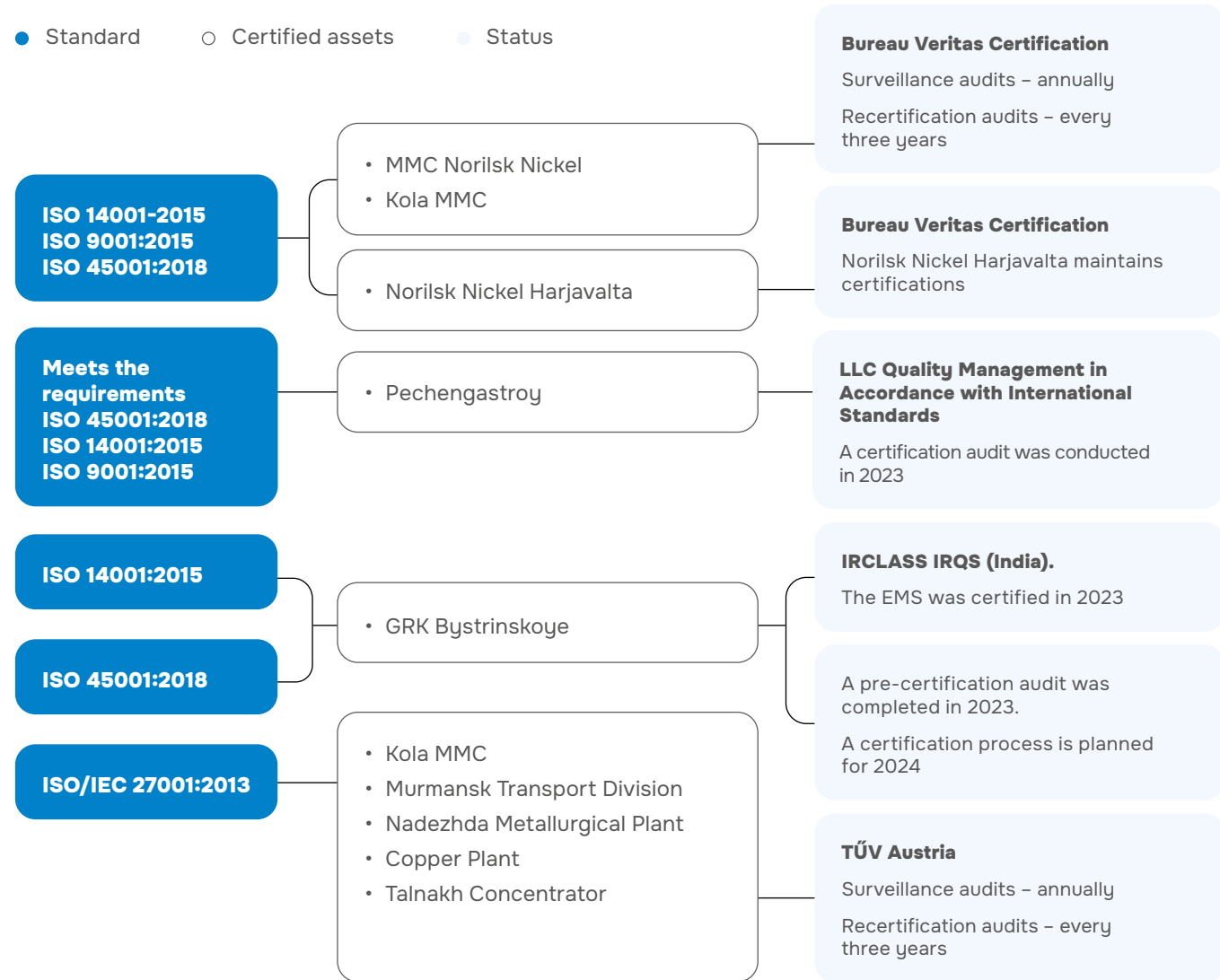
- further integrating ESG principles into strategic planning, risk management, and reporting procedures
- working towards closer alignment with the IRMA Standard for Responsible Mining
- completing the self-evaluation process in line with the Global Industry Standard on Tailings Management (GISTM)
- cascading adopted policies to subsidiaries for implementation
- setting additional ESG-related KPIs and evaluating performance
- establishing a human rights due diligence system
- expanding the scope of ESG supplier assessment.

Sustainability KPIs for management

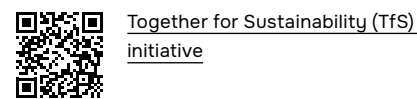


International sustainability standards

● Standard ○ Certified assets ● Status



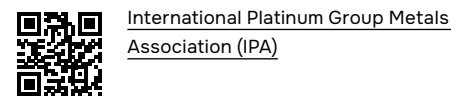
Global ESG initiatives



The Company's compliance with the requirements of the initiative was confirmed by the 2022 follow-up audit



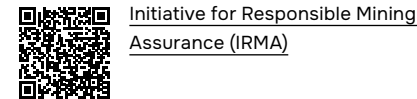
Member since 2005



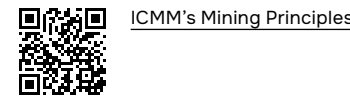
Member since 1999



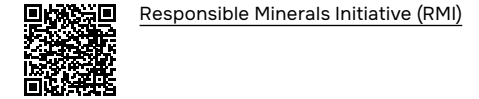
Member since 2016



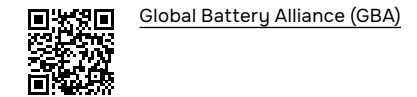
In 2022, IRMA suspended cooperation with Russian companies. In the same year, Nornickel independently assessed its mining assets for compliance and readiness for the certification and prepared a roadmap



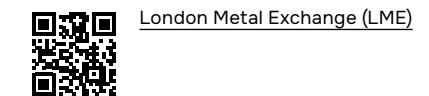
In 2022, ICMM suspended cooperation with Russian companies. The Company is pursuing a compliance roadmap (60% of measures implemented as of 2023-end)



In 2022, RMI suspended cooperation with the Company's Russian assets



Member since 2021



In 2023, the London Metal Exchange accepted the Company's 2022 RFAs. The Company decided to continue confirming its compliance with LME requirements by submitting annual Track C RFAs

ESG ratings

EcoVadis	ESG score – 58
MSCI ¹	ESG-rating – « B », score – 3.1 (out of 10)
Corporate Human Rights Benchmark	Score – 21.0 (out of 100.0)
ACRA	ESG-rating – « B », ESG-2 , a very high ESG score
ESG Index by RBC and NCR	ESG level I (high)
RAEX	ESG-rating – « A », high level
Da-Strategy Group	ESG-rating – « A », Russia's Best Corporate ESG Practice
Sustainalytics	ESG risk score – 44.0 (out of 100), on a scale from 1 (low risk) to 100 (high risk)
Expert RA	ESG-rating – III (a) , a high level of compliance with sustainability goals when making key decisions. Outlook – stable

¹ In August 2023, MSCI suspended ratings on Russian companies.