

PRESIDENT'S LETTER

GRI 2-22

Dear colleagues,

I present to you Nornickel's 2023 Sustainability Report.

In November 2023, MMC Norilsk Nickel's Board of Directors approved the Sustainable Social Development Strategy through 2030. The strategy covers four areas: health and safety, talent management and corporate culture, development of technologies and products that help foster technological and social progress, and involvement in the lives of local communities and society at large. Thus, we reaffirm our sustainability priorities.

Employee health and safety is the No. 1 priority. Our focus extends to providing a positive work environment, where employees enjoy comfort, can pursue professional advancement, and align with the emergent needs of the future economy.

Zero fatalities at our assets remains our primary goal. Last year, we managed to keep the injury rate unchanged vs 2022. Fostering a safety culture is a key focus for our team of professionals set to deliver fundamental improvements in the way we manage health and safety. The Company has enhanced programmes designed to prevent workplace accidents.

In 2023, we continued with our major programme Made with Care to improve social and working conditions for employees. As part of it, the Company spent more than RUB 4.5 bn to upgrade public premises and amenity spaces.



In 2023, the Company increased salaries by 6.1%. In 2018–2022, salaries cumulatively went up by 62%, which is considerably above the inflation rate in this period.

Last year, we launched the Digital Investor incentive programme, the first of its kind, not only for Nornickel, but also for Russia at large. All employees that had been with the Company for more than a year received financial assets known as minetokens; equivalent to the price of Nornickel's shares, they entitle their holders to dividend-equivalent regular payments and proceeds from selling (or redeeming) their stake. The number of minetokens depends on the employee's length of service.

The Company places a special emphasis on its social strategy in the regions of operation. Last year, Nornickel progressed with a comprehensive plan to renovate the Norilsk Industrial District, which covers all aspects of life in Norilsk. A project of this scale to revamp an entire city beyond the Arctic Circle is unprecedented worldwide. Norilsk has been designated as a pivotal hub in Russia's Arctic zone, set to reap the advantages of forthcoming economic and infrastructural initiatives.

Nornickel contributes to the progress of humanity through its innovative products and research aimed at tackling social challenges, such as drinking water shortage.

Nornickel is actively introducing cutting-edge technology that goes beyond production. Among other things, the Company is testing digital

construction systems at renovation sites in Norilsk. Together with our IT partners, we are developing a strategy to integrate existing solutions and new modules in a system for managing construction projects.

The autumn of 2023 saw the launch of Russia's largest environmental initiative – the Sulphur Programme at Nadezhda Metallurgical Plant, which aims to deliver drastic cuts in sulphur dioxide emissions in Norilsk. It is a flagship environmental project for Nornickel in the scope of the Clean Air federal project. With its phased ramp-up, the Company will be able to meet statutory requirements for cutting sulphur dioxide emissions from Nadezhda Metallurgical Plant substantially. Nornickel's total investments in the Sulphur Programme will exceed RUB 180 bn. For us, this project is a symbol of upholding our commitments, above all to people of Norilsk.

We continue collaborating with research organisations to monitor the environment in the regions where our sites are located. Last year, the Siberian Branch of the Russian Academy of Sciences completed the second season of the Big Scientific Expedition, a large-scale research programme organised to assess environment footprint. The expedition covered an area of over 71,000 km² and is the first research of this scale conducted in Russia in recent years. We assessed the state of aquatic biota and their habitat, as well as developing evidence-based recommendations for their restoration. The research data will create a foundation for a corporate system to manage biodiversity impact

while also providing a blueprint for relevant conservation and monitoring programmes.

We continue our efforts to improve the quality of life for local communities. Nornickel supports indigenous peoples of the North, respects their traditions and lifestyle, and protects their interests. In 2023, residents of the Tukhard settlement were presented with a master plan for the new settlement. This project has been a unique experience of developing territories of indigenous peoples in the Arctic, modelling the path for renovating other settlements in remote parts of the Russian North. The proposed project features technologies and convenience, with its spacious houses, advanced utility systems, a landscaped embankment, a central square with leisure areas, community and fitness facilities, and all-season playgrounds and outdoor gyms sheltered from wind.

In 2023, Nornickel has reiterated unwavering dedication to its sustainability priorities, despite the flux of global trends and circumstances. This is the path that we consistently pursue, along with a focus on full transparency: in 2023, the Company released three new reports: [Climate Change Report](#), [Human Rights Report](#), and [Responsible Supply Chain Report](#). Our commitment to this approach will steadfastly continue through 2024.

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