

- **Social package:** set of benefits, compensations, additional payments, statutory and additional services provided to employees by the employer on top of their salary.
- **Social partnership:** framework of relationships among employees (their representatives), employers (their representatives), and federal and local government authorities aimed at reconciling interests of employees and employers on matters pertaining to the regulation of labour relations and other directly associated matters.
- **Social programmes:** voluntary corporate initiatives pertaining to employee development and motivation, creating favourable working conditions, promoting corporate culture and charity, and supporting local communities. These initiatives are implemented on a regular basis in line with the Company's business strategy, and focused on satisfying balanced requests of various stakeholders. From the management perspective, a social programme is a set of initiatives carefully planned in terms of resources, workforce and timeframes, and efficiently addressing the Company's internal or external social objectives.
- **Soil thawing:** process whereby soil receives heat in a quantity sufficient for its natural negative temperature to increase to 0 °C and also for its disseminated ice to turn to liquid.
- **Southern Cluster:** Nornickel's promising project to develop reserves in the northern part of the Norilsk-1 Deposit.
- **Stakeholder engagement:** the Company's activities aimed at identifying stakeholders' expectations and concerns and their engagement in the decision-making process.
- Stakeholders are individuals, legal entities, groups, associations and other organisations whose interests can be potentially affected by the Company's operations, as well as parties that can influence it. Stakeholders include the Company's shareholders, investors, employees, suppliers, contractors, consumers,

- trade unions and other public organisations, federal and local authorities, mass media, residents of areas where the company operates, and others.
- **Standard:** regulation containing a set of requirements for activities and their products.
  - **Sulphur Programme:** Nornickel's largest and most important environmental initiative, providing for a phased reduction of sulphur dioxide emissions in the Norilsk Industrial District and on the Kola Peninsula, as well as the establishment of green production.
  - **Sustainability Report (non-financial report):** accessible, accurate and balanced description of the main aspects of the Company's activities and achievements pertaining to its values, goals and sustainable development policy, and addressing the matters of most importance for the key stakeholders. This is a way of publicly informing the shareholders, employees, partners and other stakeholders of the Company's progress towards its goals and objectives set out in its mission statement and strategic development plans with respect to financial and environmental stability, and social security.
  - **Sustainable development:** concept developed by the UN that acknowledges the role of business in ensuring sustainable development of the society; a concept of global community development taking into account interests of both present and future generations.
  - **System Analysis and Programme Development Governance, Risk and Compliance (SAP GRC):** a SAP-based information system combining three main components – corporate governance, risk management and compliance.
  - **Tailing dump:** facility encompassing dedicated structures and equipment designed to store radioactive, toxic or other tailings resulting from the concentration process.
  - **Top management:** President, Senior Vice Presidents, Vice Presidents, members of the Management Board and heads of departments

of MMC Norilsk Nickel; directors of branches of MMC Norilsk Nickel and their deputies; sole executive bodies (directors, general directors) of the Group companies and their deputies.

- **Young talents:** graduates of universities and colleges whose post-graduate experience does not exceed three years.

# STAKEHOLDER RECOMMENDATIONS

The Company is committed to information transparency and strives to regularly provide stakeholders with up-to-date information on its operations, results,

social programmes for employees and local communities, events, and the status of its ESG agenda. Nornickel holds annual dialogues with stakeholders while drafting

sustainability reports. 27 November 2023 saw a foresight dialogue titled "Staying on track for a sustainable future: 20 years of Nornickel's non-financial reporting"<sup>1</sup>.

## Stakeholder dialogue minutes

**Date and time:** 27 November 2023, 10:00 am –12:00 noon

**Format:** live-streamed in-person meeting.

**Target audience:** managers and employees of the Company; regional and local authorities, local communities, non-profit organisations, investment community, businesses, rating agencies, ESG experts.

**Event purposes:**

- receiving recommendations and other feedback from a wide range of stakeholders both on the Company's activities in the areas discussed and on the disclosure of relevant information in the 2023 Report;
- sharing the results of the stakeholder survey conducted as part of the materiality assessment;

- presenting and discussing with a wide range of stakeholders the Company's vision and approach to Nornickel's social strategy, environmental management, and innovative projects for sustainable development.

## Programme

Item 1. **Addressing stakeholders.**

Item 2. **Results of stakeholder survey.**

Item 3. **Nornickel's social strategy.**

Item 4. **Nornickel's innovative projects for sustainable development.**

Item 5. **Environmental management: biodiversity conservation and the Sulphur Programme.**

<sup>1</sup> For more details, please see the press release on ESG events on [Nornickel's corporate website](#). For more details on stakeholder proposals, please see the [Definition of Material Topics](#) and [Stakeholder Recommendations](#) sections.

**Item 1. Addressing stakeholders.**

**Speaker:**

**Vladimir Zhukov,**

Vice President for Investor Relations and Sustainable Development at MMC Norilsk Nickel.

Mr Zhukov gave a retrospective review of non-financial reporting. As its first social report was published back in 2005, Nornickel is a Top 3 company with the longest history of sustainability reporting in Russia. To disclose high-quality, complete, and accurate information on sustainable development

in a report, which is, in fact, a data mart, the Company needs to invest some effort in this area. Nornickel has been doing it for a long time, which is confirmed by the annual growth of expenditures on projects related to the UN SDGs.

Vladimir Zhukov emphasised that the Company strives to comply not only with the Russian laws and regulator recommendations but also with international best practices: for example, the number of GRI indicators disclosed by the Company has almost doubled since the first report. In addition, there is a tightening of requirements

to the quality of non-financial disclosure: 2023 saw the issue of the first international IFRS standards – IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. According to Mr Zhukov, the Company plans to pilot the disclosure of climate-related indicators under IFRS S2 in its 2023 Sustainability Report. People, nature, and innovations are the main and most relevant areas of the Company’s sustainable development.

**Item 2. Results of stakeholder survey.**

**Speaker:**

**Inessa Chernova,**

Head of Sustainability Reporting at MMC Norilsk Nickel.

Ms Chernova stressed the Company’s commitment to information transparency; its key tool is annual sustainability reporting compliant with national and international reporting standards, recommendations, stakeholder requests, and suggestions. In 2022, along with its flagship report, Nornickel published a number of thematic reports: they help expand and deepen the Company’s non-financial reporting practices. Nornickel’s anniversary report incorporated more requirements and recommendations

compared to previous reporting; it is planned to disclose indicators under Order of the Ministry of Economic Development of Russia No. 764 dated 1 November 2023 and pilot climate-related disclosures under IFRS S2.

Inessa Chernova spoke about the stages and results of the procedure for defining material topics, which serves to consider the input of external and internal stakeholders and publish the most up-to-date and relevant information. The 2023 survey showed a significant increase in the number of respondents, changes in the ranking of material topics (Top 3 – social aspect topics, increased score for certain topics)<sup>1</sup>, a broad stakeholder response (the Company received a high

score for its 2022 Report (4.7 points out of 5.0)), and proposals to improve disclosure practices<sup>2</sup>.

In conclusion, Ms Chernova noted that international and Russian experts highly appreciated the Company’s sustainability reports, which encouraged the development of environmental, social, and management practices and their sharing.

After the presentation, the participants discussed foreign rating agencies and cooperation prospects, as well as the reasons for the reprioritisation of material topics in 2023 and the 2023 materiality assessment procedure.

**Item 3. Nornickel's social strategy.**

**Speakers:**

**Larisa Zelkova,**

Senior Vice Presiden for HR, Social Policy, and Public Relations at MMC Norilsk Nickel,

**Andrey Grachev,**

Vice President for Federal and Regional Programmes at MMC Norilsk Nickel.

Larisa Zelkova presented four key areas of the Company’s Sustainable Social Development Strategy through 2030, which are related to Nornickel’s impact on society, social interests, and other areas: safety and working conditions, 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. These areas were formulated based on the Company’s business priorities and key challenges facing Nornickel. They bring together well-known social programmes, projects, and corporate efforts, such as In Good Company programme for young professionals, the Norilsk renovation programme, a comprehensive programme to aid indigenous northern minorities, and more.

Andrey Grachev spoke about the Company’s policy on interaction with indigenous peoples and relevant achievements. Special attention is paid to the Free, Prior and Informed Consent (FPIC) process. In Tukhard, it saw more than 500 people taking part in four meetings. Tukhard’s case extends to the Company’s new Kolmozersk

project, which is unique for Nornickel: it is the first lithium deposit in Russia and the first mining project where the Company conducts FPIC prior to development. According to monitoring results, foreign colleagues are interested in the Company’s experience.

Following the presentations, there were additional discussions on the development of the HR brand, the re-hiring programme, the possibility of attracting various categories of individuals, including vulnerable groups, the Company’s creative industry development goals in the regions where it operates, the transformation of the corporate environment, and the expansion of the programme for interaction with indigenous peoples in the Taimyr Peninsula.

**Item 4. Nornickel's innovative projects for sustainable development.**

**Speakers:**

**Vitaly Busko,**

Vice President for Innovations at MMC Norilsk Nickel,

**Liliya Yafarova,**

Senior Researcher at the Hydrometallurgy Laboratory of the R&D Department, Project Director at the Project Management Department of Gipronickel Institute.

Mr Busko reported on four innovation areas in sustainable development and relevant projects: reduction of CO<sub>2</sub> emissions (natural and active mineralisation of rock with CO<sub>2</sub> absorption), minimisation of environmental impact (new technologies for mine and waste water treatment, re-use of slags

and tailings in backfill production), industrial safety (in-house development of exoskeletons, machine vision for monitoring occupational health and safety), new products accelerating the green transition using the Company’s metals (palladium and nickel), which are being developed jointly with Russian and international research institutes.

Liliya Yafarova presented the results of Gipronickel Institute’s work to create cathode materials for the future energy. The scientists analyse not only products that are currently in use but also promising compounds: three of them were created in 2023, and potential consumers are testing the products and have already given positive feedback. Ms Yafarova stressed that the technology is being developed in parallel with ways to dispose

of and recycle used batteries: the experts ran preliminary lab tests with high quality samples obtained, and were able to extract from used batteries the target cathode material, which can rival commercial products in terms of its properties. The project is implemented by young scientists holding a PhD and aged under 30. The lab created for them has become a competence centre. Ms Yafarova urged companies to support research efforts, as it will allow them to develop their own competences and become a talent foundry for the production segment.

The speakers answered questions about the criteria for ESG products, demand for such products, assessment of their impact, and contribution to the ESG agenda.

<sup>1</sup> For more details, please see the [Definition of Material Topics](#) appendix.

<sup>2</sup> For more details, please see the [Stakeholder Recommendations](#) appendix.

**Item 5. Environmental management: biodiversity conservation and the Sulphur Programme.**

**Speaker:**

**Stanislav Seleznev,**

Vice President for Ecology and Industrial Safety at MMC Norilsk Nickel.

Mr Seleznev's presentation focused on three key areas of the Company's ESG agenda: biodiversity research, reduction of sulphur dioxide emissions, and occupational health and safety.

For two years, Norinickel, together with the Russian Academy of Sciences, has been conducting the Big Scientific Expedition, Russia's largest biodiversity survey to assess biodiversity changes in terms of impact on the regions where the Company operates. The expedition is underpinned by a scientific approach: experts developed a methodology for calculating an integral indicator of ecosystem health, confirmed the possibility of using molecular genetic analysis, including for rapid plant diagnostics, assessed and analysed the Company's impact on ecosystems; the research was expanded with studying the processes of heavy metal migration in soils. In 2023, the expedition results confirmed by the Russian Academy of Sciences were published on the Preserving Ecosystems<sup>1</sup> website (to be updated annually with relevant data and results of new projects).

Stanislav Seleznev presented the key results of the Sulphur Programme aimed at addressing atmospheric pollution

from the Company's operations. Since 2015, SO2 emissions at Kola Division have decreased by 90%, outperforming the target of an 85% reduction, and there are remediation processes that have started around the Company's sites. At Norilsk Division, the Sulphur Programme at Nadezhda Plant was launched in October 2023 – once the full capacity is reached, sulphur dioxide emissions are expected to go down by 45%. Thanks to the programme, Norilsk will no longer be on the list of Russia's dirtiest cities.

As regards occupational health and safety, the Company's focus is on accident investigation, corrective actions, and changes in employee training: the Cardinal Safety Rules have been revised, the motivation system has been changed (incentives for risk identification), and a project to train internal coaches has been created. The retrospective growth of fatality rates is due to a new approach to recording, classification, and investigation of accidents, which has increased the transparency and reliability of data provided. Mr Seleznev emphasised that the Company is committed to the strategic goal of zero fatalities, but it takes time to achieve it.

After his presentation, Stanislav Seleznev took questions from stakeholders on the independent expert review of the Sulphur Programme's environmental results, development of the permafrost monitoring system,

performance of the Centre for Monitoring Technical, Production, and Environmental Risks, and the Environmental Monitoring Centre.

The speakers' reports were followed by an open discussion where stakeholders could ask questions, provide comments and suggestions. In particular, additional discussions were held on investment project financing mechanisms, motivation for the Company's cooperation with Asia-Pacific countries, Norinickel's contribution to addressing the country's national and strategic objectives, and the Company's interaction with educational institutions.

The participants were invited to vote online and also to provide feedback via QR code:

- 98% of respondents noted that adhering to the sustainable development strategy is important both for maintaining the Company's image and for sustainability in the face of a rapidly changing world;
- 93% of respondents said that the climate agenda is fairly/extremely important;
- as open feedback, participants thanked the Company for its commitment to openness and transparency and various opportunities offered, and praised the organisation of the event.

**Stakeholder recommendations**

Recommendations	Company response
<b>From external stakeholders</b>	
Provide more details on cooperation with secondary vocational education institutions and participation in the Professionalitet federal project	Done. Disclosed in the <a href="#">Training Programmes</a> section
Provide more details on cooperation with schools, universities, and the Career Navigator project	Done. Disclosed in the <a href="#">Training Programmes</a> section
Make navigating the Report easier	Done
Provide information about the Company's goals and objectives as regards the Global Biodiversity Framework to 2030	Done. Disclosed in the <a href="#">Biodiversity</a> section
Disclose a detailed emissions reduction plan	To be done in the next reports
Provide more detailed information about the Company's contribution to the national and strategic objectives of Russia	Partially done. Disclosed in the <a href="#">Norinickel's Contribution to the UN SDGs and Russia's Strategic Priorities</a> section
<b>From internal stakeholders</b>	
Provide more details on safe operation of hydraulic structures	Done. Disclosed in the <a href="#">Tailings and Waste</a> section
Provide information about working with disabled persons	Partially done. Disclosed in the <a href="#">HR Management</a> and <a href="#">Social Policy</a> sections
Provide more details on interaction with regions of operation and effects of charitable and socially important events	Partially done. Disclosed in the <a href="#">Development of Local Communities</a> section
Provide information about the management of supplier and contractor requirements, control of environmental and social requirements set by Norinickel, and alignment of responsible supply chain activities with specific divisions	Done. Disclosed in the <a href="#">Supply Chain Responsibility</a> section and <a href="#">2023 Responsible Supply Chain Report</a>
Broader representation of social projects	Done. Disclosed in the <a href="#">Development of Local Communities</a> and <a href="#">Human Capital Development</a> sections
Provide information about employee wages by age and gender, career growth and career tracks	Done. Disclosed in the <a href="#">Incentives and Rewards</a> and <a href="#">Training Programmes</a> sections
Provide information about renewable energy sources by divisions	To be done in the next reports
Report on the use of alternative fuels in production	Done. Disclosed in the <a href="#">Energy Consumption and Efficiency</a> section

<sup>1</sup> <https://life.nornickel.com/>