

NORILSK NICKEL GROUP:

20 YEARS OF SUSTAINABLE DEVELOPMENT

Nornickel has one of the longest and most successful traditions of non-financial reporting in Russia¹. In 2005, the Company released its first social report, which is an important step on the path towards increasing corporate transparency for the benefit of the wide range of stakeholders. For 20 years, Nornickel has regularly been not only disclosing its financial and operating results, but also updating stakeholders on environmental initiatives, occupational health and safety, programmes for employees and local communities, R&D and innovations, and major aspects of corporate governance.



Every year, the Company enhances its level of disclosure, aligning with new and reviewed standards and recommendations on sustainability and responding to the growing requirements and needs of stakeholders and relevant changes within the Company. Over the past 20 years, the Company's non-financial reporting has undergone major transformations as its scope, boundaries, and list of disclosed quantitative and qualitative indicators continued expanding. For its reports, the Company utilises cutting-edge design and IT solutions.

Since 2005, Nornickel's reports have been subject to an independent professional review and assurance by an auditor, and public assurance since 2009.

¹ The Company published social reports for 2003–2007 and corporate social reports for 2008–2016. Since 2017, the Company has been releasing sustainability reports.

Standards and guidelines used by Nornickel in its sustainability reporting

Reporting year

2023

GRI Standards (2021)
UNCTAD
TCFD
SASB Mining & Metals
Methodological recommendations of the Russian Ministry of Economic Development (Order No. 764 dated 1 November 2023)
IFRS S2¹

2022

GRI Standards (2021)
UNCTAD
TCFD
SASB Mining & Metals

2021

GRI Standards (Comprehensive option)
UNCTAD
TCFD
SASB Mining & Metals

2019

GRI Standards (Comprehensive option)
UNCTAD
TCFD

2018

GRI Standards (Comprehensive option)
UNCTAD

2017

GRI Standards (Comprehensive option)

2013

GRI G4

2006

GRI G3

2003–2004

GRI G2

Awards received by Nornickel's sustainability reports



The high quality of Nornickel's reports is evidenced by awards of Russian and international report contests, including major annual events such as LACP Vision Awards, MerComm ARC Awards, Marcom Awards, Moscow Exchange's Annual Report Competition, and annual report contests hosted by Expert RA and RAEX.

>40 awards received by Nornickel's sustainability reports at various Russian and international contests since 2005



Some of Nornickel's awards won at the largest Russian and international contests since 2010

2010

2nd place in the Best Corporate Social Responsibility Report category of the Moscow Exchange's Annual Report Competition

2012

Winner in the Best Corporate Social Responsibility Report category of the Moscow Exchange's Annual Report Competition

2015

Platinum award in the LACP 2014/2015 Vision Awards, 5th place among the Top 50 best reports globally

2016

Winner in the Best Corporate Social Responsibility Report category of the Moscow Exchange's Annual Report Competition

2019

Winner in the Best Corporate Social Responsibility Report category of the Moscow Exchange's Annual Report Competition

Prize winner in the Best Sustainability Report category of the Annual Report Contest hosted by RAEX

2018

2nd place in the Best Corporate Social Responsibility Report category of the Moscow Exchange's Annual Report Competition

2017

Winner in the Best Design of the CSR Report category of the Annual Report Contest hosted by Expert RA

Platinum award in the LACP 2017/2018 Vision Awards, 7th place among the Top 100 best reports globally

2020

Platinum award in the Best CSR Report category of MarCom Awards

2021

Winner in the Best Corporate Social Responsibility and Sustainability Report category of the Moscow Exchange's Annual Report Competition

Prize winner in the Best Sustainability Report category of the Annual Report Contest hosted by RAEX

2022

See the Awards and Accolades appendix

Team success story

Nornickel Group's successful track record of sustainability reporting is a testament to the relentless dedication and collective effort of our team. Over the years, they have been advancing the Company's projects to upgrade production assets for greater eco-friendliness, improve health and safety, enhance social and working conditions for employees, foster development of personnel and corporate culture, drive innovations, and address other aspects of sustainable development.

Marking a milestone with its anniversary sustainability report, Nornickel offers stakeholders a concise summary of sustainability metrics and the key events that have shaped its ESG practices throughout two decades.



¹ The Appendix contains information on disclosures that we piloted in line with the formats set out in IFRS S2.

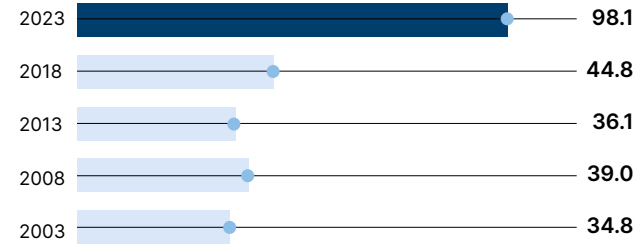
Key sustainability indicators in 2003–2023¹



Environmental expenditures (adjusted for the CPI)²

RUB bn

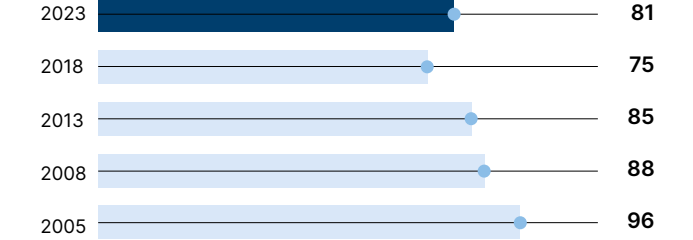
98.1 RUB bn



Nornickel Group headcount

'000

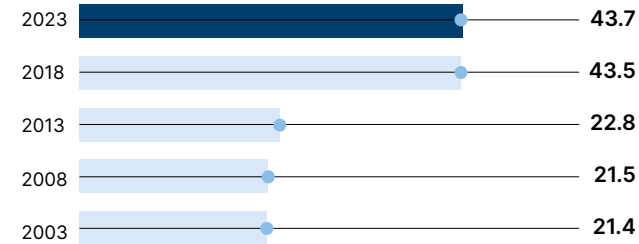
81 '000 people



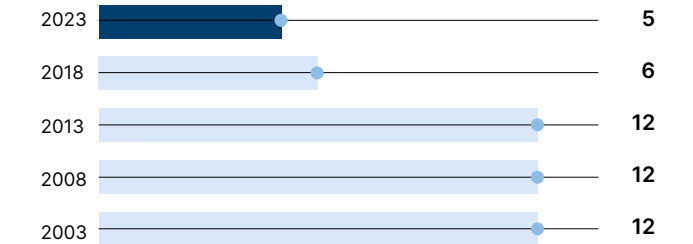
Social expenses (adjusted for the CPI)

RUB bn

43.7 RUB bn



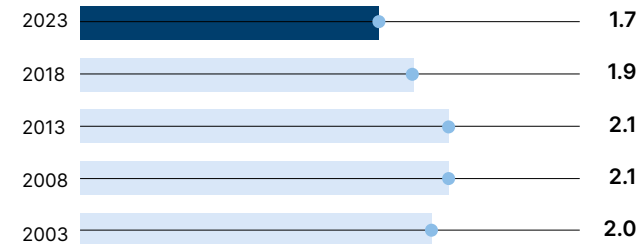
Fatalities



Air pollutant emissions

mt

1.7 mt



¹ The expenses are presented in 2023 prices.

² Consumer Price Index. Source: Federal State Statistics Service. Information about the CPI is available at <https://normativ.kontur.ru/document?moduleId=41&documentId=139128>

Timeline of Nornickel's major sustainability milestones, 2003–2023

- Approval of the Conceptual Framework for Social and Economic Development until 2015
- Approval of the Environmental Policy
- Start of preparation of semi-annual financial reports under the IFRS (with annual reports in place since 2002)
- Commencement of efforts to set up Board of Directors committees (audit, HR and remuneration committees)
- Introduction of an environmental monitoring system at Kola MMC
- Processing of industrial waste accumulated at the mining-impacted alluvial deposits of precious metals in Norilsk
- Establishment of the Norilsk Palladium Research Centre and launch of four projects to ramp up the use of palladium by various industries

- Approval of the Conceptual Framework for the Corporate Occupational Health and Safety Management System
- Assistance in upgrading and repairing 45 social infrastructure facilities in Norilsk
- Setting up the Norilsk Nickel Corporate University
- Launch of the Future of the North project for young talents
- Launch of a project to research migration and ensure protection of the lesser white-fronted goose

- Approval of the Occupational Health and Safety Policy
- Establishment of the Strategy Committee, Budget Committee, Social Policy Committee, and Corporate Governance Committee under the Board of Directors
- Establishment of a resource centre for training young workers
- Introduction of a new programme to provide financial assistance to unemployed pensioners
- Completion of the full-scale reconstruction of the Norilsk airport infrastructure
- Completion of field tests and development of a feasibility study for the Relict Oaks Reserve in the Trans-Baikal Territory
- Entering into an agreement with the Russian Ministry of Foreign Affairs on cooperation to counter illegal trade in precious metals
- Launch of a forensic chemistry lab at Gipronickel Institute

- Joining the Russian Union of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry of the Russian Federation
- Commencement of the Your Home new corporate social programme
- Development of a 2011–2020 programme to relocate people living in Norilsk and Dudinka to other Russian regions with favourable climate conditions
- Completion of the modernisation of the Zapolyarye Health Resort in Sochi
- Completion of registration of products in line with REACH requirements
- Entering into agreements on reproduction of aquatic resources with the Taimyrsky and Putoransky reserves

- Approval of the first version of the Business Ethics Code
- Start of operation of the Naryn-1 (Borzya) – Gazimursky Zavod railway line, connection to the national railway
- Completion of the draft of a comprehensive investment plan for the Nickel settlement
- Financing of the construction of a sports and recreation centre in Dudinka
- Construction of a recreation camp for children in Gelendzhik and of the Arena-Norilsk sports and events mall
- Signing of a plan laying out detailed obligations to optimise the sulphur production process at Copper Plant and develop more effective catalytic solutions for treating waste gases as part of an agreement signed with Rosprirrodnadzor
- Obtaining of a permanent licence for the treatment and disposal of hazard classes 1–4 waste
- Counting of the bears living in the Kara Sea area

- Approval of the Health and Safety Strategy
- Joining the Anti-Corruption Charter of the Russian Business
- Approval by the Board of Directors of the Company's Anti-Corruption Policy
- Approval of the Code of Conduct and Ethics for Members of the Board of Directors
- Approval of the Human Capital Development Programme
- Launch of a project to implement an employee performance management system and a 360-degree review
- Signing of an agreement for the social and economic development of the Trans-Baikal Territory
- Opening of the world's northernmost ice arena Taimyr sponsored by the Company
- Launch of the World of New Opportunities charitable programme
- Implementation of a major landscaping project in Monchegorsk, Zapolyarny, and Nickel
- Drafting of a comprehensive security concept
- Drafting of a risk management development concept

- Approval of the Production Development Strategy until 2015 with a focus on resource-saving technology in mining, concentration and smelting
- Approval of the Employee Code of Ethics
- Approval of the Personnel Management Policy
- Establishing offices for operating, social and labour relations
- Introduction of the Complementary Corporate Pension Plan, one-off redundancy payments, and a corporate programme to improve social and working conditions at production sites
- Construction of a school in Tukhard for students of grades 1–3–x
- Launch of a programme to restore damaged land at Kola MMC

- Joining the Social Charter of the Russian Business
- Release of the first social report for 2003–2004
- Establishment of the corporate Social and Labour Council
- Launch of a mechanism for direct interaction among employees and the management (Corporate Forum)
- Introduction of a corporate distance learning system
- Launch of a programme for subsidised loans for employees, additional pension payments, and an additional vacation allowance
- Obtaining first certificates of compliance with the ISO 9001:2008 and ISO 14001:2004 for the Company's Integrated Quality and Environmental Management System

- Launch of the Co-Funded Pension Plan, the Health programme, and a programme to assist new employees from other regions to settle in Norilsk
- Establishment of the All-Russian Cross-Industry Association of Employers Engaged in Nickel and Precious Metals Mining

- Development of an occupational health and safety management system model and enactment of five corporate standards on occupational health and safety
- Establishment of the Board of Directors' Corporate Governance, Nomination and Remuneration Committee and the Accident Prevention Committee
- Signing the Social and Economic Cooperation Agreement with the Krasnoyarsk Territory Government
- Establishment of the captive NordStar airline to ensure social protection to employees and provide affordable air travel
- Launch of the Career Navigator programme for children and young people

- Development of a draft five-year programme for 2012–2016 to improve social and living conditions for employees
- Development of a municipal target programme for modernisation and overhaul of engineering infrastructure facilities for 2011–2020 jointly with the Norilsk Administration
- Establishment of the Nordavia – Regional Airlines corporate air company
- Introduction of a corporate scholarship for talented youth
- Introduction of annual reimbursement of vacation travel expenses and baggage fees for employees and their families
- Launch of the Nornickel Class career guidance project
- Commencement of tender procedures to develop a unique solution for sulphur dioxide capture
- Monitoring of the Kara and Barents Sea polar bear populations

- Approval of the Company's updated Production and Technical Development Strategy
- Updating of the HR Management Strategy
- Development and implementation of the Daddy Don't Forget Safety Rules! information campaign
- Completion of construction of two pre-school facilities in Norilsk
- Launch of the Between the Past and the Future project celebrating the 80th anniversary of the Norilsk Plant
- Support for the Zero Negative Environmental Impact nationwide campaign
- Approval of a project for the disposal of saline effluent from nickel refining at Kola MMC in Monchegorsk for 2014–2016
- Completion of one of the stages of a major programme to upgrade Kola MMC's Concentrator
- Development of the Shareholder's Personal Account

- Joining the UN Global Compact
- Taking part in drafting Norilsk 2030, a strategy for the city's social and economic development
- Completion of the construction of a visitor centre in Nickel for a state nature reserve
- Partnership agreement with the International University Sports Federation (FISU)
- Launch of the personal donations programme for Company employees
- Establishment of two clubs of socially responsible businessmen in Norilsk and the Murmansk Region to bring together the most active representatives of small and medium business
- Shutdown of the outdated Nickel Plant
- Piloting of a solid domestic and industrial waste landfill in the Tukhard settlement
- Completion of an upgrade and retrofit project for the tailings pipes at Nadezhda Metallurgical Plant
- Completion of the construction of a briquetting section for copper-nickel concentrate at Kola MMC (transition from an outdated feedstock preparation technology)

- Approval of the Information Security Policy
- Signing of an agreement with the Federal Agency for Ethnic Affairs (FAEA) on cooperation aimed at providing support to the indigenous peoples of the North
- Launch of the Nornickel's Leaders corporate development programme
- Completion of the renovation of the Norilsk Airport's runway
- Creation of the Union of Entities of the Copper and Nickel and Supporting Industries, an interregional cross-industry association of employers
- Approval of Bystrinsky GOK by the state environmental expert review board
- Commencement of the Sulphur Project at Copper Plant in Norilsk
- Contributing to the drafting of the UN resolution on combating illegal trafficking of precious metals
- Establishment of the National Association of International Information Security

- Development of a new Holistic Environmental Strategy
- Establishment of the Risk Management Committee of the Management Board led by the Company's President
- Establishment of the Environmental Department, Sustainable Development Department, and Environmental Monitoring Centre
- Migration to a division-based structure and introduction of large-scale changes to the Company's governance framework
- Approval of Nornickel's programme to support indigenous peoples until 2024
- Launch of the Nornickel Academy educational platform
- Setting up a dedicated ethnological expedition to study the indigenous minorities of the Taimyr Peninsula
- Establishment of the Monchegorsk Development Agency

- Establishment of Women in Mining Russia (WIM Russia), a non-profit organisation that aims to promote professional development of women
- Participation in drafting the Conceptual Framework for the Social and Economic Development of the Pechengsky District
- World of Taimyr grant competition
- Start of the Great Norilsk Expedition and development of a comprehensive land rehabilitation programme following the CHP-3 accident in Norilsk
- Quantitative assessment of indirect GHG emissions (Scope 3) in line with the GHG Protocol
- Shutdown of the smelting shop in Nickel
- Launch of the Technological Breakthrough 2.0 programme

- Development of a corporate standard for ecosystem biodiversity conservation and monitoring
- Launch of a project to create a workplace safety culture coaching system
- Revision of Nornickel's cardinal safety rules, OHS incentive programme and employee awareness raising initiatives
- Launch of the Digital Medicine project in Norilsk
- Commencement of the Employee Relocation programme
- Launch of the Tsifronikel Junior educational project for the children of employees
- Prior task force consultations with representatives of indigenous peoples in Lovozero
- Launch of the Big Scientific Expedition

- Entering into two agreements with the Russian Ministry of Natural Resources and Environment as part of the federal Biodiversity Conservation and Ecotourism Development project
- Establishment of an air quality monitoring and forecasting system in Norilsk, Monchegorsk, Nickel, and Zapolyarny
- Calculation of upstream Scope 3 GHG emissions
- Finalisation of the supply chain Due Diligence Management System and implementation of all the steps covered by the OECD² Framework
- Testing of an innovative technology of obtaining modified sulphur
- Completion of the design of a digital engineering and operating model (3D model) at Kola MMC

² Organisation for Economic Cooperation and Development.

2015

2016

- Approval of the Fuel and Energy Development Strategy
- Introduction of the Accident Investigation corporate standard
- Signing of a master agreement on cooperation during the preparation and staging of the 29th Winter Universiade in Krasnoyarsk in 2019
- Launch of the Plant of Goodness corporate volunteering programme
- Opening of the world's northernmost water park in Norilsk
- Launch of a project to build a fibre optic communication line between Novy Urengoy and Norilsk
- Start of the Let's Do It! environmental marathon
- Piloting of Stage 1 of Talnakh Concentrator
- Completion of the first surveillance audit to certify compliance of the Corporate Integrated Quality and Environmental Management System with ISO 9001:2008 and ISO 14001:2004

2017

2018

- Approval of a roadmap to reduce air pollutant emissions at Polar Division for 2018–2023
- Approval of the Community Engagement Policy and the Housing Programme Policy
- Development of the Biodiversity Policy
- Access to broadband internet connection in Norilsk
- Establishment of Russia's first corporate security department sponsored by Nornickel – at the Moscow State Institute of International Relations (MGIMO)
- Completion of construction of two pre-school facilities in Norilsk
- Launch of Sulphur Programme 2.0
- Assessment of the Company's operations for compliance with the TFS (Together for Sustainability) initiative
- Start of operations of Stage 1 of new electrolysis cells at the nickel tankhouse of Kola MMC, which is designed to reduce emissions of sulphur dioxide and dust, cut down on metal losses, and improve the quality of products
- Signing of the Environmental Charter of the Krasnoyarsk Territory
- Launch of Bystrinsky GOK

2019

2020

- Signing of a joint declaration with the UNIDO¹ to run projects together, including those on green technologies
- Launch of Your Home, a new housing initiative
- Establishment of the Second School Centre, a specialised development institution in Nickel
- Development of a social support programme for employees facing redundancies following the smelting facility shutdown
- Launch of the SME Business Navigator project in Norilsk
- First assessment of GHG emissions in line with GHG Protocol requirements
- Approval of projects to cut emissions and improve environmental conditions at Kola MMC's Monchegorsk site
- Election of a new Board of Directors, with the majority of seats for the first time ever taken by independent directors
- Launch of the Smart City initiative

2021

- Approval of the Environmental and Climate Change Strategy through 2031
- Establishment of the Sustainable Development and Climate Change Committee
- Commencement of efforts to update and align the by-laws with ICMM and IRMA requirements
- Approval of a number of policies relating to sustainable development
- Development of the Due Diligence System standard (part of DDMS)
- Establishment of ESG competence centres across all divisions
- Signing of a four-party Agreement on Cooperation for Comprehensive Social and Economic Development of Norilsk for the period through 2024 and further through 2035
- Launch of the FPIC procedure for indigenous northern minorities living in Tukhard
- Signing of a Cooperation Agreement with the Kola Sámi Association
- Joining the Arctic Economic Council
- Shutdown of the refining stage copper chain at the metallurgical shop in Monchegorsk
- Launch of Great Norilsk Expedition 2.0

2022

- Modelling of climate change scenarios for the Norilsk Industrial District until 2050
- Development of a methodology and assessment of the carbon footprint of the Company's core products
- Production of the first batch of carbon-neutral nickel
- Completion of a Data Lake prototype
- Launch of an infrastructure service to create an air quality monitoring system in Norilsk as part of the City Online initiative

2023

- Approval of the Sustainable Social Development Strategy through 2030+
- Launch of the Digital Investor corporate programme
- Signing of a new agreement with the Murmansk Region for 2023–2025
- Ethnicity expert review for the Kolmozerskoye project
- Launch of the Sulphur Programme at Nadezhda Metallurgical Plant
- Completion of the second season of the Big Scientific Expedition
- Development of a methodology for calculating an integral indicator of ecosystem health (IIEH)
- First ever release of publicly available reports on climate change, human rights, and responsible supply chain

¹ Organisation for Economic Cooperation and Development.