



Sustainability Report 2022
Responsible Supply Chain Report



Table of contents

About Nornickel Group	1	Section 1. Supply chain Due Diligence Management System	6	Section 3. Risk management plan	20
About the Report	1			Section 4. Independent audits	21
Approach to mineral supply chain due diligence management	3	Section 2. Identification and assessment of supply chain risks	13	Mid-term plans	24
Summary of responsible supply chain results in 2021–2022	5	Supplier due diligence in 2021–2022	18	Standards compliance index	25
				Abbreviations	29

About Nornickel Group

Nornickel Group (“Nornickel”, the “Group” or the “Company”) is a leader of the Russian metals and mining industry, ranks No. 1 among the world’s producers of high-grade nickel and palladium, and is one of the major producers of platinum, copper, cobalt, and other metals globally. We are a vertically integrated holding boasting a full production cycle, from ore mining to refining, along with our own energy, transportation and support assets, as well as research and development capabilities.

The Nornickel Group Responsible Supply Chain Report (the “Report”) covers the following production assets of the Company located in Russia¹:

- Norilsk Division (Polar Subdivision of PJSC MMC Norilsk Nickel (“Polar Division”) and Medvezhy Ruchey LLC);
- Kola Division (JSC Kola MMC (“Kola MMC”));
- Trans-Baikal Division (GRK Bystrinskoye LLC (“GRK Bystrinskoye”)).

The production processes of each division are described in more detail in Nornickel’s 2022 Annual Report and Sustainability Report, as well as in related sections on the Company’s website.

About the Report

Since 2008, Nornickel has been keeping its stakeholders² informed about the Company’s choice of suppliers and procurement practices as part of its annual and sustainability reports.

Since 2021, the Company is in compliance with the responsible mineral³ supply chain requirements of the OECD Guidance⁴. As part of the final step of the OECD Five-Step Framework⁵, companies following the OECD Guidance are required to publicly report on results of mineral suppliers due diligence.

This Report is Nornickel’s first standalone report on the responsible mineral supply chain, which is based on internal reporting from the Group’s entities and the Company’s Head Office. This Report is available in Russian and English on the Company’s website and addressed to a wide range of stakeholders.

In addition, Nornickel discloses information about the responsible supply chain on a yearly basis in related sections of its annual and sustainability reports.

The Report gives an insight into the Group’s mineral supply chain Due Diligence Management System established in 2021–2022 and the supplier due diligence findings in 2021–2022.



APPROVED
by the Management Board
of PJSC MMC Norilsk Nickel
Minutes № GMK/11-pr-p
dated 05.05.2023

APPROVED
by the Committee on Sustainable
Development and Climate Change
of PJSC MMC Norilsk Nickel
Minutes №1
dated 17.05.2023

¹ The Report covers the Group’s Russian entities.

² Stakeholders are individuals and legal entities or their groups having certain expectations about the Company or affected by its operations, influencing its managerial decisions while being themselves influenced by such decisions. 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.

³ Hereinafter, mineral means mineral raw materials containing nickel, cobalt, and copper.

⁴ OECD Guidance means the Organisation for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

⁵ OECD Due Diligence Guidance Five-Step Framework for Risk-Based Due Diligence in the Supply Chain of Minerals from Conflict-Affected and High-Risk Areas.

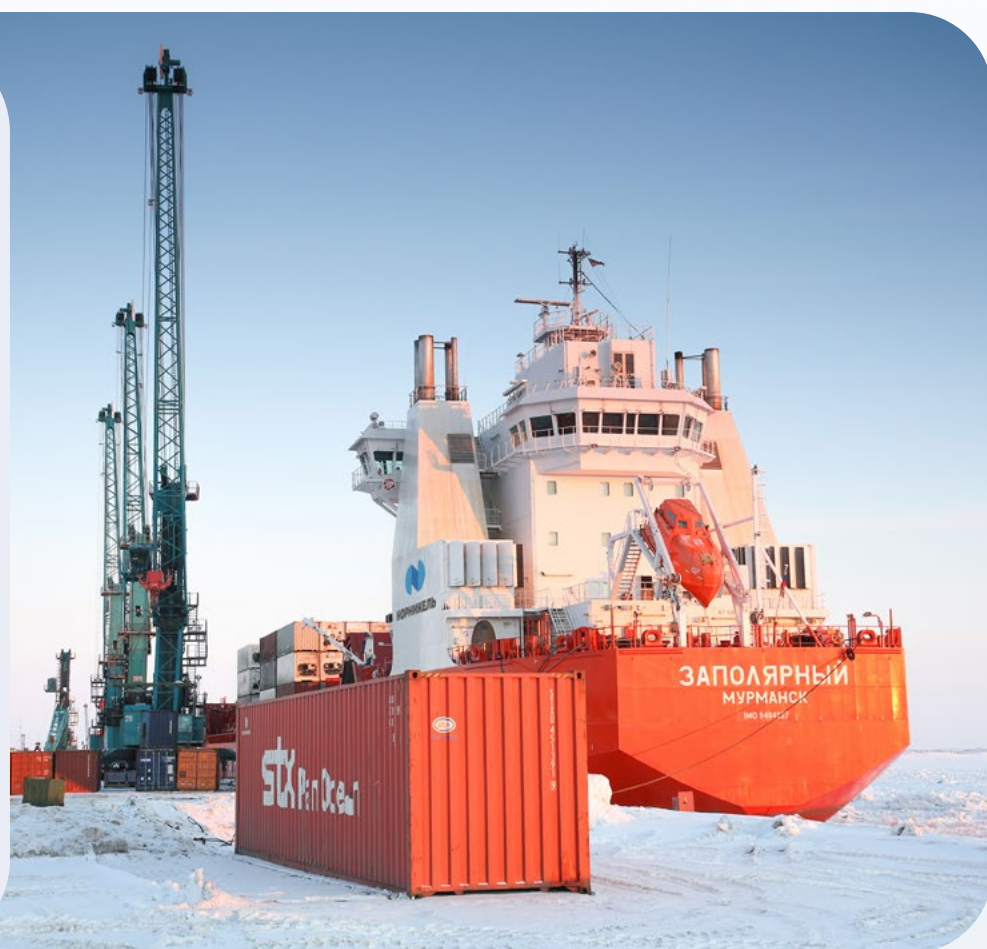
According to the OECD Guidance, companies should disclose information about the mineral supply chain depending on the organisations and initiatives wherein they participate. The Company's nickel,

cobalt and copper brands are registered on the London Metal Exchange (the "LME"). The LME Policy on Responsible Sourcing includes a requirement to comply with the OECD Guidance. The companies

whose brands are listed on the LME are thereby required to disclose information about their supply chains in the five steps under the OECD Guidance, including for cobalt, nickel and copper.

This Report is structured in line with the following five steps¹.

- Step 1: Supply chain management system: description of the system, existing documents and the Company's general approach to supply chain controls and transparency.
- Step 2: Identification and assessment of supply chain risks: description of the approach and the tools to identify and assess risks in the supply chain.
- Step 3: Risk management plan: description of the Company's strategy to manage risks in the supply chain.
- Step 4: Independent audits: information on third-party audits.
- Step 5: Public reporting: description of the reporting procedure on compliance with the OECD Guidance.



The Report contains the due diligence findings on upstream² suppliers of nickel, cobalt and copper containing minerals in the supply chain of the Group's Russian assets.

These due diligence checks were carried out in 2021–2022 at Norilsk and Kola divisions, specifically at Polar Division and Kola MMC. No due diligence took place at GRK Bystrinskoye as it does not have mineral suppliers.

The Group's mineral suppliers include:

- suppliers of mined minerals (primary processed material which has never been previously refined);
- Nornickel's suppliers providing minerals transportation, their processing and loading/unloading services.

→ [The due diligence findings are described in more detail in the section Supplier Due Diligence in 2021–2022 on page 18.](#)

Approach to mineral supply chain due diligence management

The Company rolls out a responsible supply chain to promote the sustainability agenda among its suppliers and contractors, to encourage their compliance with the respective corporate standards, and to improve the procurement performance by comprehensively assessing their reliability, identifying and responding to potential supplier risks in a timely manner.

The Company relies on a systemic approach to supply chain management. Nornickel adheres to the requirements of the leading international initiatives for responsible mining of minerals and sustainable supply chains. The Company implements the relevant standards and recommendations across its operations and pays special attention to its suppliers' compliance with the sustainability principles.

Nornickel's approach to building a responsible supply chain



¹ Under the OECD Five-Step Framework.
² Operations from extraction of mineral raw minerals to output of semi-products.

Nornickel's general approach to building a responsible supply chain includes:

- [analysis of requirements and best practices for a responsible supply chain](#) – looking into national and international requirements for a responsible supply chain, potential risks and opportunities associated with them, and stakeholder expectations;

- [development of corporate documents and systems](#) – formulating and regularly revising documents governing supply chain management and supplier assessment to ensure compliance with international standards and global best practices;
- [supply chain analysis](#) – monitoring supplier activities and assessing their responsibility;

- [interaction with suppliers](#) – building a dialogue with suppliers, also as part of due diligence, including trainings on key sustainability and responsible supply chain principles;
- [audit and reporting](#) – carrying out independent assessments of the Company's supply chain management processes and publishing the findings following audits and supplier due diligence.

Mineral supply chain Due Diligence Management System

In 2021–2022, the Company developed a supply chain Due Diligence Management System (the "DDMS" or the "System") for minerals which structures and consolidates the procedure of suppliers due diligence against risks related to human rights violations, money laundering, fraud, and corrupt practices.

The DDMS aims to ensure and monitor mineral suppliers' compliance with Nornickel's corporate standards and the applicable international standards and initiatives.

The System was deployed at Kola MMC in 2021 and rolled out in 2022 to Norilsk and Trans-Baikal divisions, specifically to Polar Division and GRK Bystrinskoye, respectively.

The DDMS relies on the following standards:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- [China Chamber of Commerce of Metals, Minerals and Chemicals Importers & Exporters Due Diligence Guidelines for Responsible Mineral Supply Chains](#);
- Pilot Cobalt Refiner Supply Chain Due Diligence Standard developed jointly by the China Chamber of Commerce of Metals, Minerals and Chemicals

Importers & Exporters, the [Responsible Cobalt Initiative](#) and the Responsible Minerals Initiative (the "RMI");

- London Metal Exchange Red Flag Assessment Template;
- Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (the "JDDS") developed jointly by the Copper Mark, the International Lead Association, the International Zinc Association, the Nickel Institute, and the RMI;
- Standard for Responsible Mining of the Initiative for Responsible Mining Assurance (the "IRMA");
- [International Council on Mining and Metals Performance Expectation 4.2](#).

Mineral supplier due diligence procedure

The supplier due diligence procedure includes the following stages:

1. analysing external (geography and nature of business) and internal (management system maturity, experience with relevant audits) aspects of the supplier's business to identify risk indicators;
2. enhanced supplier due diligence, with a detailed review of its operations, including, if necessary, an on-site visit to the actual production site (upon identification of risk indicators)¹;

3. developing and implementing a risk management plan (in case of risks confirmation)²;
4. reporting on the findings and the measures taken.

→ The DDMS and the tools used are described in more detail in the respective sections hereof.

In 2023, Nornickel plans to expand the DDMS to cover suppliers of goods, works and services.

Summary of responsible supply chain results in 2021–2022

The results of internal activities and due diligence checks:

- the Board of Directors approved PJSC MMC Norilsk Nickel's Responsible Sourcing Policy and Supplier Code of Conduct;
- Nornickel developed and deployed a mineral supply chain Due Diligence Management System based on the five steps of the OECD Guidance;

- due diligence was conducted on mineral suppliers at Polar Division and Kola MMC, including the internal suppliers that are part of the Group;
- no risks were identified in supply chains following due diligence results.

The results of external audits and assessments of the Company as part of its participation in responsible supply chain conducted to meet stakeholder expectations:

- Nornickel's production sites and the Group's mineral processors underwent external audits and assessments³ for compliance with:
 - Together for Sustainability initiative (TfS);
 - Responsible Minerals Initiative (RMI);
 - Responsible Sourcing Blockchain Network (RSBN);
 - Initiative for Responsible Mining Assurance (IRMA).

¹ Stages 1 and 2 are further detailed in Section 2: Identification and Assessment of Supply Chain Risks on [page 13](#).

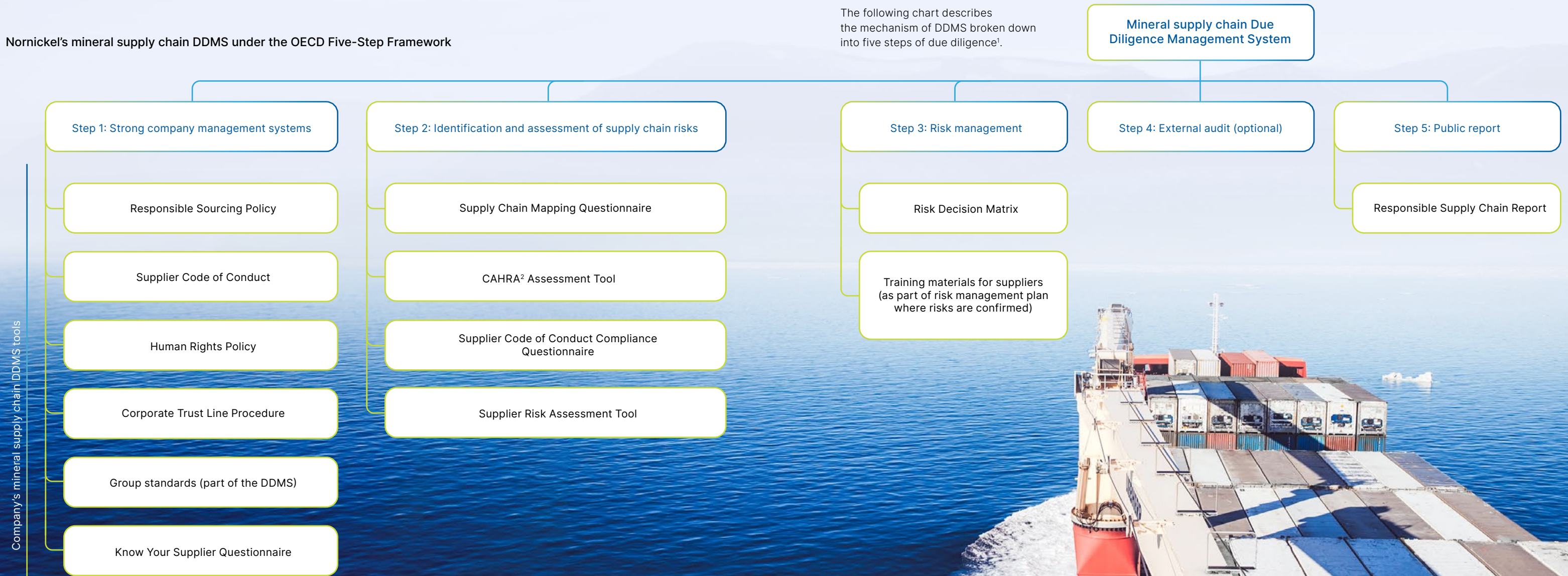
² This stage is further detailed in Section 3: Risk Management Plan on [page 20](#).

³ The external assessments and audits are further detailed in Section 4: Independent Audits on [page 21](#).

Section 1. Supply chain Due Diligence Management System

Nornickel's mineral supply chain DDMS under the OECD Five-Step Framework

The following chart describes the mechanism of DDMS broken down into five steps of due diligence¹.



¹ The DDMS methodology is based on the OECD Guidance Five-Step Framework for Risk-Based Due Diligence in the Supply Chain of Minerals.
² CAHRA means Conflict-Affected and High-Risk Areas.

Responsible sourcing policy

In 2021, the Company adopted the corporate documents describing the key responsible supply chain principles:

- [MMC Norilsk Nickel's Responsible Sourcing Policy](#) (the "Policy") setting out Nornickel's approach to environmental, social and corporate governance issues throughout its supply chain;
- [MMC Norilsk Nickel's Supplier Code of Conduct](#) (the "Code") requiring that the Company's suppliers implement the responsible sourcing procedures in line with Nornickel's sustainability goals.

The Policy seeks to ensure that suppliers of raw materials, goods, works and services meet the Company's sustainability

criteria. It sets out Nornickel's responsible supply chain management principles applicable to both the Group itself and its counterparties. In case of suppliers' failure to meet the Policy requirements in full, the Company identifies supply chain risks¹ and may reconsider its relationship with such suppliers if, following corrective actions, risks remain unaddressed.

The Policy was approved by the Board of Directors which oversees its implementation by the Company's Head Office and divisions.

The Policy was communicated to all stakeholders (suppliers, customers, employees, etc.) and published in Russian and English on the Company's website.

The Company also adopted the Code which describes the list of requirements for counterparties to align their activities with the sustainability principles. As part of supplier due diligence, the Company assesses the maturity of its mineral suppliers' practices for compliance with the Code.

Nornickel developed a Code implementation roadmap in 2021. By the end of 2022, the Group completed all the main roadmap activities planned for this reporting period.

Management framework and responsible parties

In line with the OECD Guidance, the Company established a mineral supply chain due diligence management framework.

The Head Office has its Sustainable Development Department to take charge, including to develop and approve documents² governing interaction with suppliers. This Department also provides necessary guidance on DDMS implementation to divisions.

Divisions have their respective sustainability units to take charge. Also involved in the DDMS implementation at different stages are the Head Office's and divisions' departments responsible for production and safety, the risk management function, as well as legal, corporate relations, marketing and public relations departments.

The DDMS underlies the internal responsible sourcing standards ("standards")

developed for Polar Division, Kola MMC, and GRK Bystriinskoye. Each standard factors in divisional specifics, governs interaction between business units, and defines the responsible parties and their responsibilities.

The key responsibilities of DDMS teams include:

- developing, endorsing and submitting for approval amendments to the Policy, the Code and other regulations and guidelines as part of the DDMS, including its tools;
- organising and coordinating, as well as monitoring and assessing the DDMS performance;
- making the employees involved in the mineral supply chain aware of the requirements of corporate documents and internal standards for responsible supply chains;
- updating mineral suppliers on the Code

requirements and holding consultations (where necessary);

- identifying and assessing supply chain risks, conducting due diligence on mineral suppliers in line with the divisional DDMS standards;
- developing risk management plans in cooperation with suppliers and overseeing their implementation;
- producing reports: internal reports on mineral supply chain due diligence for the management, including performance assessment and risk management results, as well as preparing public annual responsible supply chain reports;
- developing and providing employee training for those involved in the DDMS operation.

If necessary, the respective business units of Polar Division and Kola MMC may also be involved in supplier due diligence.

Training for managers and employees

The key distinctive feature of the Company's production process is that virtually all mineral suppliers are part of Nornickel Group, i.e. internal suppliers, except for one external supplier that shipped minerals to Polar Division in the reporting period.

Thus, the Group's trainings in 2021–2022 conducted at Kola MMC, Polar Division, Medvezhy Ruchey LLC and GRK Bystriinskoye actually covered employees of these entities as mineral suppliers.

All Nornickel's employees, including managers, must adhere to the Policy and the Code. The Company provides training to managers and employees on internal policies and processes and updates on both internal and international standards for responsible supply chains. Also, the employees responsible for the DDMS operation and monitoring undergo in-depth training modules within their competence.

The principles underlying responsible supply chains and the use of DDMS tools are also covered by internal workshops and training sessions on other matters, such as human

rights or environmental, social and corporate governance (ESG) practices. On top of that, Nornickel pays special attention to preparation for industry and ESG audits.

The training activities on supply chain management may be conveniently divided into:

1. in-depth training sessions on responsible supply chain principles and the DDMS, including on the applicable standards and the requirements imposed by the regulators and initiatives (LME, RMI, etc.);
2. general ESG training sessions also covering responsible supply chain principles and the DDMS;
3. workshops to prepare for audits and introduce standards and initiatives also covering responsible supply chain principles and the DDMS.

In 2021–2022, the Group conducted a total of 10 training sessions on the DDMS and responsible supply chains for managers and employees of the Head Office, Polar Division, Medvezhy Ruchey LLC, Kola MMC, and GRK Bystriinskoye¹.

The total number of employees trained exceeded

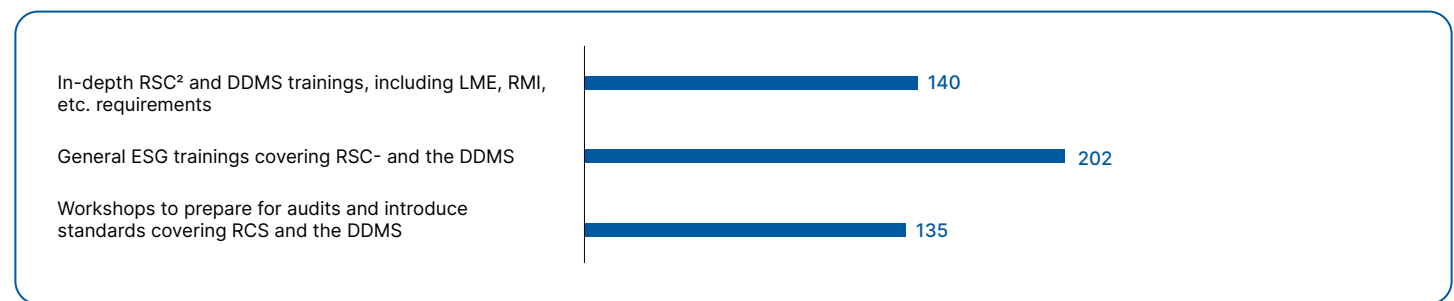
470 trainees.

The total number of training hours on responsible supply chain amounted to

761 hours.

As part of general staff training, the Group also held specific workshops to prepare for audits and introduce industry standards and initiatives. These trainings took 438 hours and covered more than 400 employees.

Participants by training domain in 2021–2022



¹ The risks are further detailed in Section 2 on [page 13](#).

² The documents governing interaction with mineral suppliers as part of supplier due diligence.

¹ The trainings also covered internal mineral suppliers being part of the Group.

² RSC means the responsible supply chain

Supply controls and transparency

Nornickel consistently monitors the material flows throughout its supply chain and continuously improves the mechanisms to ensure transparency and quality of on-site material acceptance. The DDMS complements the existing supply chain controls by ensuring compliance with the OECD Guidance.

Nornickel's production sites rely on their internal controls to monitor minerals received from suppliers. Each of the Group's mining assets has its own system for accounting and monitoring the acceptance of materials in terms of their quality and quantity. Mineral supply controls are exercised by production units and internal business units involved in material acceptance and processing. Material acceptance and verification in terms of quality and quantity seek to confirm that no conflicts exist under supply agreements and the applicable regulations for acceptance of consumer and non-consumer goods in terms of quality and quantity.

Such verification covers suppliers' primary accounting documents, as well as shipping documents.

All relevant documents and data should be kept for at least five years. Mineral supplier due diligence records are also stored in electronic files on the Company's servers.

Procurement automation

The Company uses a single automated SAP SRM¹ electronic platform for supplier relationship management.

This platform is an efficient tool to handle both centralised (by the Group) and decentralised (by divisions) procurement activities.

Procurement information is posted on the Company's corporate website. For potential suppliers and partners, the SRM platform provides the possibility of online procurement informing for all product categories. The system also enables users to generate and download procurement reports and other necessary documents, which greatly facilitates the document flow with suppliers.

SRM access is free and requires no electronic signature to sign up and use the system. The Group relies on electronic workflow to streamline mutual settlements. Nornickel regularly updates the existing document management system to enhance procurement efficiency and transparency for all parties involved.

Interaction with suppliers

Supply agreements to include the responsible supply chain requirements

Nornickel expects its counterparties to comply with the ESG requirements which the Company itself adheres to. In 2021–2022, the Company amended its mineral supply agreements as well as standard agreements and the General Contracting Terms and Conditions for other suppliers¹ to include a requirement to comply with the Company's ESG standards². Suppliers were also informed of the opportunity to report to Nornickel's Corporate Trust Line which is the Company's principal grievance mechanism³.

Nornickel's ESG requirements set out in the Policy and the Code focus on:

- human rights and labour relations;
- environmental protection;
- anti-corruption;
- implementing recommendations of the UN Global Compact.

To prevent corruption, supply agreements also include an anti-corruption clause to ensure that contracting parties are on the same page as regards zero tolerance to corruption. Such clause obliges contracting parties to inform the other party in a timely manner about possible corruption risks identified and relevant checks carried out, as well as provides grounds for termination or other liability if the contractor violates the anti-corruption clause or is involved in unlawful activities.

Training for suppliers

The Company provides guidance and training to suppliers to raise their awareness and readiness for Nornickel's due diligence.

The Group focuses on building suppliers' awareness and holding training sessions to increase the maturity of their sustainability and responsible supply chain practices. Since virtually all mineral suppliers are part of the Group, their training

activities are described in the sub-section Training for Managers and Employees on page XX. In the reporting period, the Company conducted a training session for an external mineral supplier (not part of the Group) with a focus on responsible supply chain principles and the DDMS, and the applicable standards and initiatives (RMI, etc.).

In addition to training, the Company also advises its mineral suppliers on international sustainability standards and provides educational materials. Such materials contain information on the sustainability priorities, as well as the key requirements and approaches to building a responsible mineral supply chain.

As part of supplier relationship management, the Company pays special attention to working meetings with suppliers' managers and employees to build awareness of Nornickel's sustainability standards and to provide more details on its mineral supply chain due diligence procedure.

¹ SAP SRM means System Analysis Programme for Supplier Relationship Management.

² Suppliers of goods, works and services.

³ ESG requirements of the Policy and the Code.

⁴ The Corporate Trust Line is described in more detail in the Corporate Trust Line sub-section on [page 12](#).

Corporate Trust Line

In 2010, Nornickel set up its Corporate Trust Line (the "CTL") to provide the Group's managers with objective and reliable information about the identified cases of abuse, theft, corruption, fraud and other violations in a timely manner to ensure effective decision-making.

Stakeholders may also report any violations of law and corporate policies to the CTL. The CTL enables Nornickel's management to obtain timely information about possible violations and make managerial decisions resolving issues and preventing similar incidents going forward.

Issues may be reported anonymously and must be treated in a way to assure confidentiality, objectivity and impartiality, and to prevent retaliation against whistle-blowers.

Issues may be reported via multiple channels: by emailing to skd@nornik.ru, by calling +7,800,700 1941 and +7,800,700 1945 or by filling out a contact form on the CTL page on the Company's corporate website at <https://www.nornickel.com/sustainability/corporate-hotline/>, or by sending a letter to: 15, 1st Krasnogvardeysky Drive, Moscow, 123100, Russia, Corporate Trust Line, PJSC MMC Norilsk Nickel.

The reports are handled and resolved in accordance with the Company's approved Procedure on the Corporate Trust Line. Report statistics are reviewed by the Board's Audit Committee and published as part of sustainability reports. Quarterly reports are sent to the Group's entities. The CTL performance is assessed by the Vice President for Internal Control

and Risk Management, the Board's Audit Committee and employees taking part in an engagement survey.

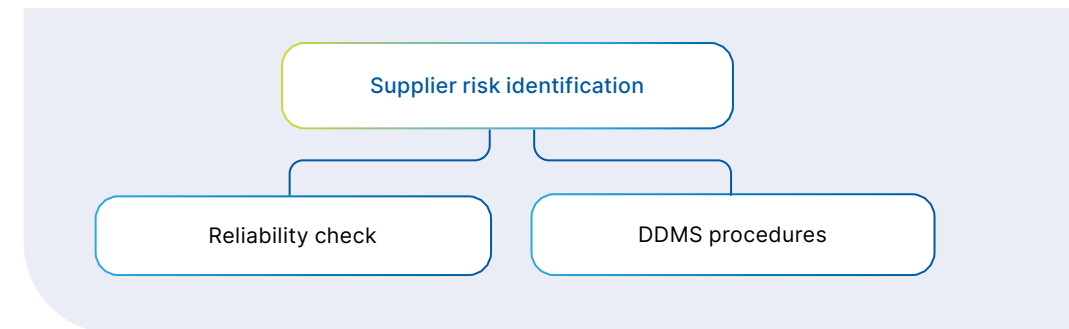
In 2022, the Company updated its Procedure on the Corporate Trust Line to include a new reporting subject related to responsible mineral sourcing. This subject includes reports on the Policy or Code violations made by mineral suppliers and risks identified under the OECD Guidance¹. In 2022, the CTL received no reports on responsible sourcing violations.



Section 2. Identification and assessment of supply chain risks

Supplier risk identification includes a number of procedures:

- DDMS procedures;
- mechanism (separate from the DDMS) to check counterparties for reliability, solvency and financial resilience ("reliability check").



The reliability check is an essential part of the contracting procedure (beyond the DDMS) applicable to all the Group's prospective suppliers. Thus, supply chain risk identification is a preliminary to the contracting procedure.

This check seeks to assure that the contractor is reliable in terms of compliance with applicable laws and contractual obligations and is not exposed to any corruption risks. In addition to suppliers' registration, operational

and financial data, Nornickel analyses publicly available information about their management and business environment.

Based on the reliability check, the Company decides whether to cooperate with the respective contractor going forward. The existing suppliers are also subject to a reliability check if more than 12 months have passed since their most recent check.

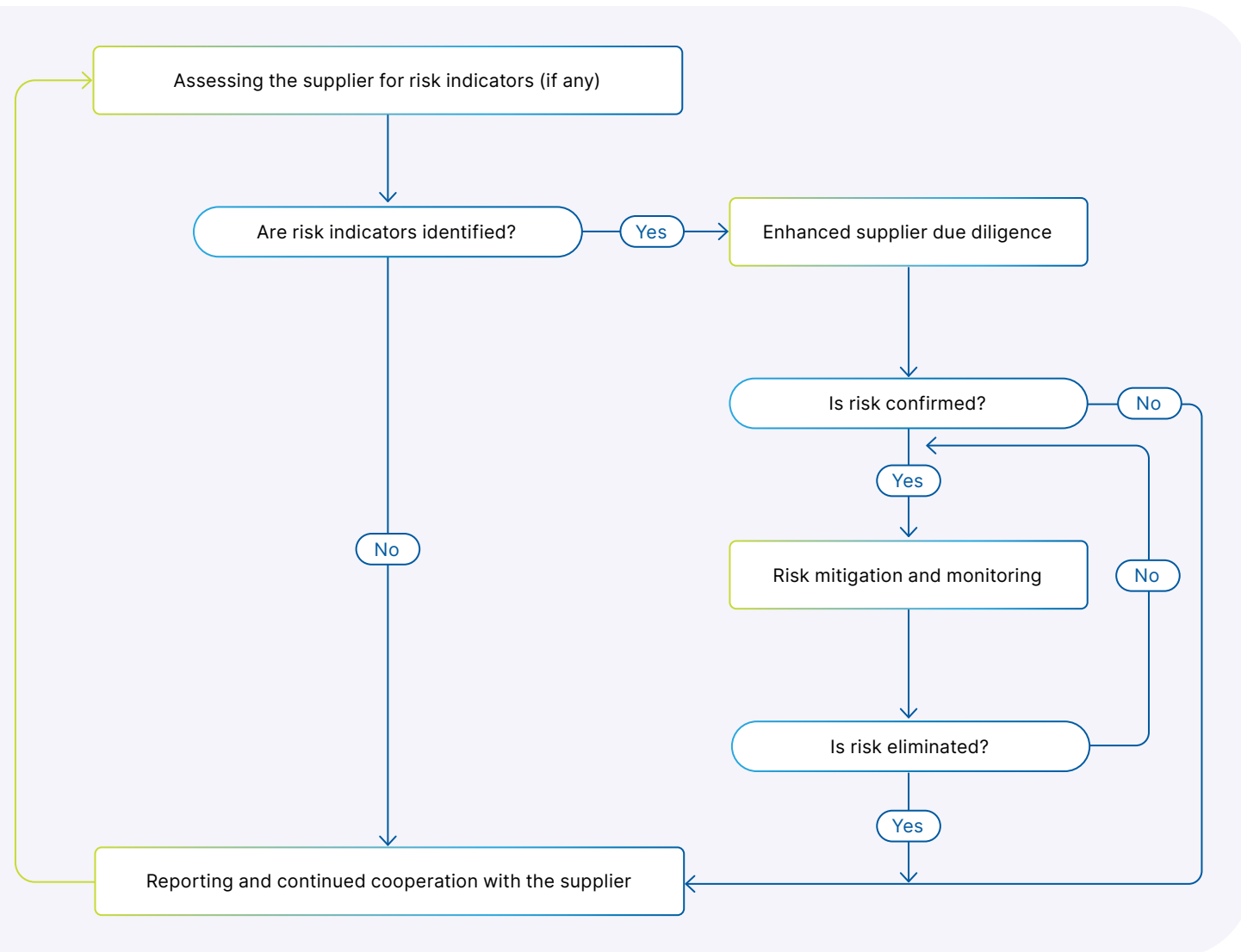
The DDMS is key to identifying mineral supply chain risks and includes several stages.

The Company's approach to identifying and assessing risks under the DDMS relies on the OECD Guidance.



¹ The risks under the OECD Guidance are further detailed in Section 2 on [page 13](#).

The Group's mineral supply chain due diligence and risk management



The first stage of supplier due diligence focuses on identifying risk indicators in the mineral supply chain. If the first stage identifies risk indicators, the Company carries out enhanced due diligence of the supplier to identify and confirm

risks (if any). If so confirmed, the Company assesses its exposure and cooperates with the supplier to develop risk mitigants, following which it makes a final decision whether to cooperate with the respective contractor going forward.

Each stage of due diligence relies on the specifically designed tools explained below.

Identification of risk indicators in the mineral supply chain

If identified, risk indicators flag potential risks in the supply chain. Under the System, the key risk indicator relates to minerals originating from or being transported via a CAHRA area, those originating from

a country that has limited known reserves, as well as contractors being financially or legally connected to supplies from a CAHRA area. The supplier's failure to formally confirm its consent to the Code or a set

of submitted documents that does not allow Nornickel to assess supplier's compliance with the Code are also considered risk indicators.

Identification of risk indicators in the mineral supply chain



To identify risk indicators, the Company first identifies suppliers and minerals supplied, and all the elements of the supply chain. To this end, the supplier fills out a questionnaire describing its supply chain. Such questionnaire is a separate tool used to map mineral supply chains and get an insight into the supplier's interactions with sub-suppliers (second and higher tier suppliers relative to Nornickel). The data is then analysed by the relevant departments of the Company's Head Office and divisions, followed by supplier assessment. Supplier assessment helps identify risk indicators (if any).

To identify the above supply chain risks, the Company uses the following tools and procedures compliant with the best industry practices:

- Know Your Supplier Questionnaire;
- Supply Chain Mapping Questionnaire;
- CAHRA Assessment Tool;
- Supplier Code of Conduct Compliance Questionnaire.

Know Your Supplier Questionnaire
To identify risk indicators early in the game, the Company distributes Know Your Supplier Questionnaires among its suppliers.
In addition to up-to-date information about mineral suppliers' owners, the Know Your Supplier Questionnaire concerns their operations in the supply chain:

- nature of their core business and geography;
- minerals supplied;
- applicable licences (if any);
- key sub-suppliers;
- supply chain management approach and the maturity of relevant practices.

Supply Chain Mapping Questionnaire
This tool is a form to be filled out to provide more details on the mineral supply chain, specifically the Company's direct suppliers and sub-suppliers. The form shows the existing mineral supply chain for the specific division with details on material sources broken down by supplier. The data sourced from this Supply Chain Mapping Questionnaire (the "Questionnaire") help establish the number of suppliers, whether they are part of the Group, the type, volume and origin of minerals delivered in the selected period, as well as potential supplier risks under the OECD Guidance.
The Questionnaire enables Nornickel to map the mineral supply chain in a holistic way and to identify inherent potential risks.

CAHRA Assessment Tool

To determine whether a country is on the CAHRA list, the CAHRA Assessment Tool reviews more than 150 countries for corrupt practices, money laundering, political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, widespread violence, human rights violations and violations of national or international law. In doing so, this tool relies on the following sources:

- 10 indices and metrics recommended by the RMI;

- CAHRAs under Section 1502 of the [Dodd-Frank Act](#) (US);
- CAHRAs under [Regulation \(EU\) 2017/821](#).

Supplier Code of Conduct Compliance Questionnaire

As part of supplier due diligence, the Company also assesses how well the supplier complies with Nornickel’s Code based on the completed Supplier Code of Conduct Compliance Questionnaire and the supporting documents provided.

The form is structured to factor in the Code’s environmental, social and corporate governance requirements. This tool helps determine the current status of the supplier’s ESG practices, including as regards responsible supply chains. Upon review of questionnaires, the Company gains a better understanding of its supply chain and the maturity of its suppliers’ ESG practices, as well as discovers opportunities to improve their business processes.

Assessment of mineral supply chain risks

If risk indicators are identified, the Company performs enhanced risk-based due diligence of the supplier.

The OECD Guidance determines the following potential risks that may arise in the supply chain:

- serious human rights violations, including cruel, inhuman or degrading treatment, any forms of torture and forced labour, the worst forms of child labour, other gross human rights violations, war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide;
- direct or indirect support to non-state armed groups;
- direct or indirect support to public or private security forces who illegally

- control, tax or extort money or minerals;
- bribery and fraudulent misrepresentation of the origin of minerals¹;
- money laundering;
- non-payment of taxes, fees and royalties to governments.

If risk is identified and confirmed, the Company assesses its exposure and cooperates with the supplier to develop a risk management plan. In some cases where zero tolerance risks are confirmed, the Company may reconsider its relationship with the respective supplier going forward.

The company also conducts monitoring of those suppliers that were subject to an enhanced due diligence (due to risk indicators identified previously).

This monitoring procedure includes gathering data on suppliers’ operations and conducting on-site audits (if necessary), including where minerals are actually mined, transported and processed.

If supply chain risks are confirmed, the Company performs an enhanced due diligence using the specifically designed tools and procedures based on the best industry practices considering their applicability in the Russian Federation:

- Supply Chain Risk Assessment Tool;
- gathering information from public sources;
- third-party audits ordered by the Company.

¹ At point of access to mine sites, along transportation routes or at points where minerals are traded, as well as in favour of second and higher tier suppliers relative to Nornickel.

Supply Chain Risk Assessment Tool

An enhanced due diligence includes assessing the supplier for risk exposure (if any). The DDMS relies on a risk-based approach to the risks identified under the OECD Guidance¹.

To this end, the Company uses a supply chain risk assessment tool which contains the list of risks and the criteria to assess the same with a view to determining the risk exposure. This procedure enables the Company to develop and implement the respective risk mitigations.

Gathering information from public sources

To obtain more details on suppliers, the Company procures to gather and analyse data on suppliers’ operations from public sources. To this end, the Company follows up on audit reports and reports from public organisations and government agencies relating to suppliers’ operations, as well as industry publications, news articles and information from counterparties. In addition to documentary evidence, the Company also liaises with representatives of local communities and organisations.

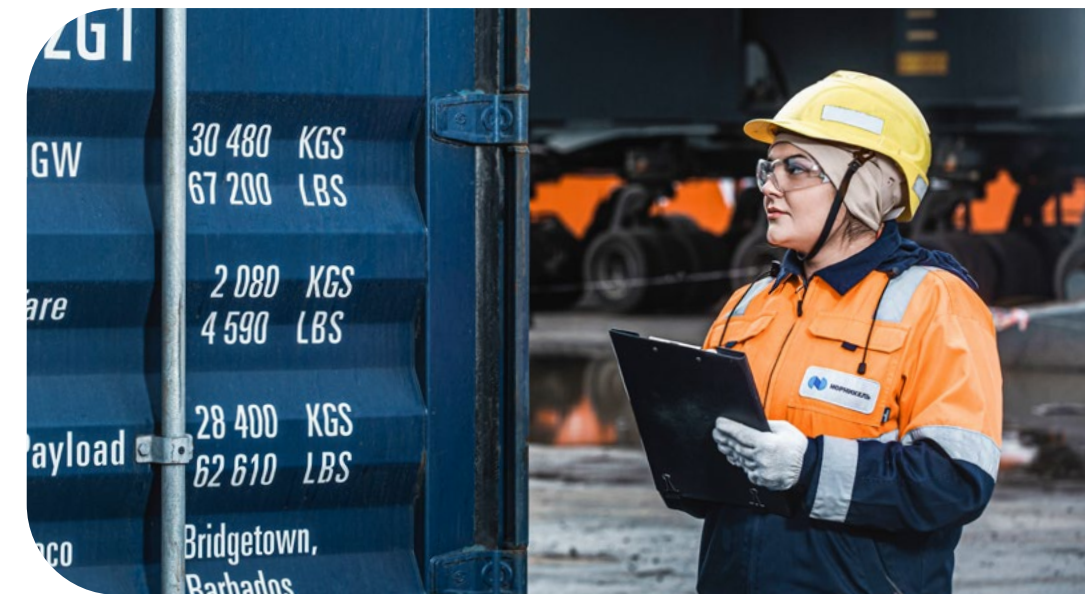
Supplier audits

The Company may initiate third-party audits to get an insight into how its suppliers actually mine, transport, process and export minerals. Such audits seek to identify and assess the worst-case scenarios should the risks materialise either potentially or actually.

Risk assessment frequency and the management’s involvement

Given the rapidly changing geopolitical landscape and the need to update its counterparty requirements in a timely manner, the Group performs mineral supplier risk assessment, including whether an area is on the CAHRA list, on an annual basis or sooner in case of material changes in the supply chain.

Divisions are responsible for producing internal reports on mineral supply chain due diligence, including performance assessment and risk management results. The Sustainable Development Department at Nornickel’s Head Office also produces Group level due diligence and monitoring reports.

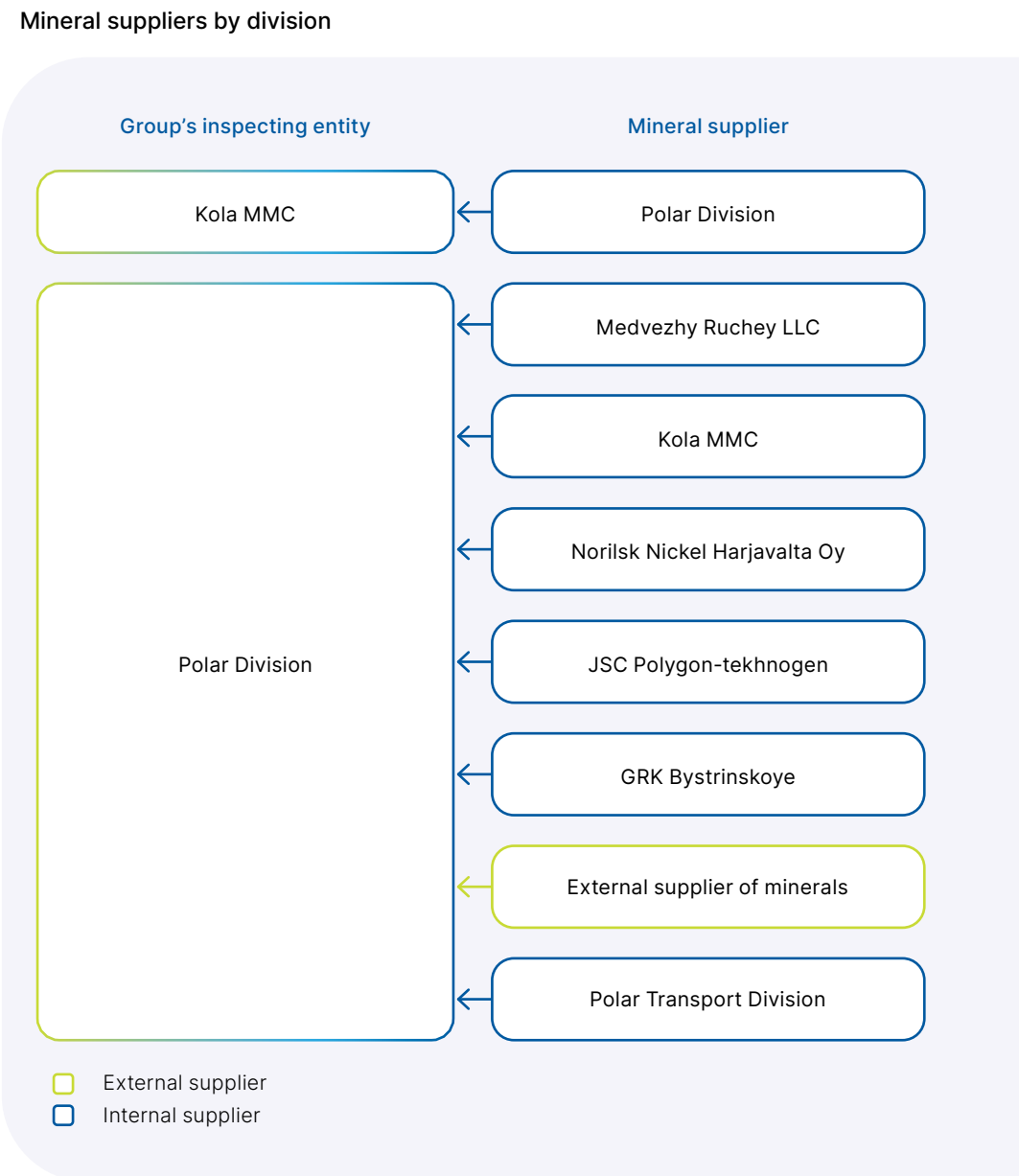


¹ The risks under the OECD Guidance are further detailed in the Assessment of Mineral Supply Chain Risks sub-section on [page 16](#).

Supplier due diligence in 2021–2022

The Company’s mineral supply chain due diligence involves assessing any and all suppliers, whether internal or external. As mentioned above, the key distinctive feature of the Company’s mineral supply chain is that most of its mineral suppliers are internal suppliers of the Group.

In 2021–2022, Nornickel conducted due diligence on eight mineral suppliers¹, including one supplier of Kola MMC and seven suppliers of Polar Division. In the reporting period, the Company had only one external supplier that shipped minerals to Polar Division. This supplier delivers ore concentrate from a technogenic deposit. The supplier’s volumes processed into non-ferrous metals are immaterial in terms of Polar Division output.



Following supplier due diligence by divisions, we identified a risk indicator associated with the external supplier of minerals to Polar Division. When assessing how well the supplier complied with the Code, the supplier was found to have no corporate responsible supply chain policies or procedures in place relating to human rights.

After a risk indicator was identified, Polar Division conducted an enhanced due diligence, including an on-site visit

to the actual production site. Following an enhanced due diligence, no risk was identified or confirmed. The supplier was advised on corrective actions to close the gaps identified and to produce the missing documents required for responsible supply chain.

The corrective actions were implemented in full. The supplier developed and approved the respective regulations, specifically the responsible sourcing policy, the supplier code of conduct, and the human rights policy.

Since no risks were confirmed for the Company’s suppliers in the reporting period, we finalised due diligence at this stage. However, the DDMS also includes the risk management stage described below.

Internal suppliers were also subject to due diligence in 2021–2022, but no risk indicators or risks were identified.

¹ No due diligence took place at GRK Bystrinskoye as it does not have any mineral suppliers.

Section 3. Risk management plan

Action plan following risk confirmation and risk management strategy

The third stage of the DDMS focuses on developing the Risk Management Plan (the "Plan") should the risks be confirmed at the previous risk identification and assessment stages. The Plan is required for the supplier to eliminate the risks confirmed.

To start with, Nornickel's management is notified of risk confirmation following an enhanced due diligence.

Thereafter, the Group develops the Plan in cooperation with suppliers and, where necessary, other stakeholders, such as representatives of local communities. The Plan should clearly specify the risk mitigation goals, timelines and performance indicators, as well as the responsibilities of all the parties involved and possible corrective actions. The Plan needs to be approved by the Company's management.

The Plan relies on the Risk Decision Matrix which is the key tool used by the responsible parties, including the management, to decide whether

to cooperate with the respective supplier going forward and choose the appropriate risk mitigants.

Depending on the risk exposure and the decision on cooperation made, the responsible parties determine the response times and the reporting procedures for the management to follow up on the Plan, as well as the list of risk mitigants. Each risk mitigant implies specific actions to be done and relies on the required internal resources. The Plan prioritises the most efficient solutions taking into account suppliers' human, logistic and financial resources.

The choice of an approach to developing the Risk Management Plan depends on the risk exposure established during an enhanced due diligence and affects the deadlines for supplier notification and risk mitigation, the type (remote or in person) and frequency of progress assessments and whether Nornickel's internal resources are required.

The overall success of the Plan hinges on stakeholder engagement, which makes the management keep a close eye on suppliers throughout its implementation. Under the Plan, the supplier must submit progress reports to the responsible sustainability manager.

Where critical risks need to be addressed, suppliers must continuously report to the respective business units at divisions and, where necessary, to the Sustainable Development Department at Nornickel's Head Office, the Board of Directors, and the Management Board.

Upon the expiration of the deadlines set out in the Plan, the Company reviews the supplier's progress. If the supplier fails to achieve the approved targets, the Company may either continue cooperation, provided that a new risk management plan is developed, or reconsider their relationship.

Since no risks were confirmed for mineral suppliers, the Company did not kick off the above action plan in 2021–2022.

Section 4. Independent audits

The Company undergoes annual independent industry audits to ensure compliance with the OECD Guidance, enhance the DDMS efficiency, increase stakeholder confidence in Nornickel's supply chain and assure its transparency.

In 2021–2022, Nornickel arranged a series of third-party audits at its production sites.

Audit for compliance with Together for Sustainability initiative

In response to its customers, the Company has been audited for compliance with the Together for Sustainability initiative (the "TfS") since 2017. This initiative aims to assess suppliers' approach to environmental protection, corporate social responsibility, ethics, and responsible supply chain principles. The assessment methodology is based on international standards of corporate social responsibility,

including the Global Reporting Initiative (GRI), the UN Global Compact, the Principles of Responsible Care, and ISO 26000 Guidance on Social Responsibility.

In 2017, TfS audits were first conducted for mineral suppliers at Polar Division and Kola MMC. Norilsk Division was re-audited in 2021, demonstrating the progress it has achieved in addressing issues over the past four years.

The Company also initiates audits at mineral processors playing a key role in Nornickel's supply chain:

- OJSC Krastsvetmet (OJSC Gulidov Krasnoyarsk Non-Ferrous Metals Plant);
- JSC Prioksky Non-Ferrous Metals Plant;
- JSC Uralintech (JSC Ural Innovative Technologies).

The TfS audit in 2021 identified a number of issues at Norilsk Division and the Company's mineral processors.

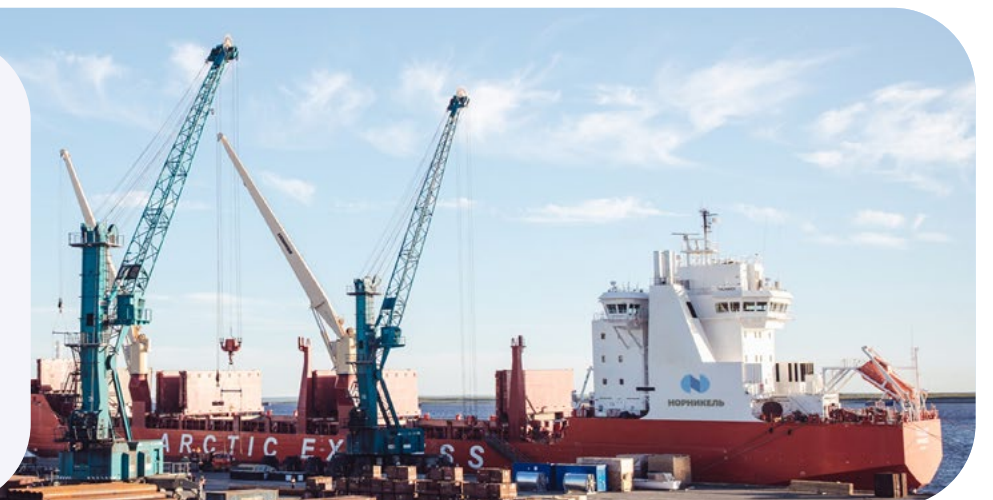
The corrective actions were mostly implemented by the end of 2022, which was confirmed by the auditors.

Audit for compliance with the Responsible Sourcing Blockchain Network

In early 2021, the Company joined the Responsible Sourcing Blockchain Network (the "RSBN"). This initiative aims to increase transparency in procurement and supplier relationship management. As part of its membership in the RSBN, Nornickel underwent annual audits for compliance with international responsible sourcing standards, the OECD Guidance in particular.

Following the RSBN audit in 2022, Nornickel's RCI (Responsible Criteria Index) improved:

- from 33 in 2020 to 68 in 2022 at the Company's Head Office;
- from 55 in 2021 to 65 in 2022 at Polar Division;
- from 59 in 2021 to 66 in 2022 at Kola MMC.



Audit for compliance with the Responsible Minerals Initiative

In November 2021, the Company conducted its first audit at Kola MMC for compliance with the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (the “JDDS”), the Pilot Cobalt Refiner Supply Chain Due Diligence Standard, the Environmental, Social & Governance (ESG) Standard for Mineral Supply Chains of the Responsible Minerals Initiative (RMI).

Following the RMI audit in 2021, Kola MMC was confirmed as RMI Active in cobalt and nickel¹. This audit was conducted to confirm Kola MMC’s compliance with the above standards and the LME Policy on Responsible Sourcing of LME-Listed Brands².

Reporting to the London Metal Exchange

In 2022, Nornickel sent its Red Flag Assessment (“RFA”) reports relating to five LME-listed metal brands to the LME, all of which were accepted and approved by the LME. Such annual reports are mandatory for companies following the LME Track «C», implying that compliance with the LME Policy on Responsible Sourcing is sufficiently supported by RFA reports. Nornickel intends to demonstrate its compliance with the LME requirements on an annual basis going forward.

Assessment of mining assets’ readiness for IRMA certification

Another example of the Company’s voluntary desire to improve its supply chains of metal-containing mineral raw materials is through an independent assessment of Nornickel’s mining assets readiness for the IRMA Responsible Mining Standard certification. The IRMA standard is one of the most demanding sustainable business standards in the global mining and metals industry. The Standard for Responsible Mining, a voluntary certification system for large-scale mines, includes 4 principles, 26 chapters, 400+ requirements, including 40 critical requirements.

In 2022, the Company completed the self-assessment of its mining assets. ENSOR Management Consultants, an independent consultant, which inspected Nornickel mines for preparedness for IRMA certification in the future, reviewed the results. The self-assessment covered eight key mines of the Norilsk and Kola Divisions. The IRMA Responsible Mining Standard includes a requirement to create transparent mineral supply chains and corporate engagement in the mineral sector in order to prevent mining and trading of minerals in conflict areas, as well as in case of human rights violations and insecurity. According to the self-assessment results, in the case of independent audit under certification

the Company is ready to demonstrate a high level of compliance with the initiative requirements. In 2023, Nornickel plans to finalize development and start implementing a roadmap of corrective actions to increase the level of compliance with the requirements of this standard.

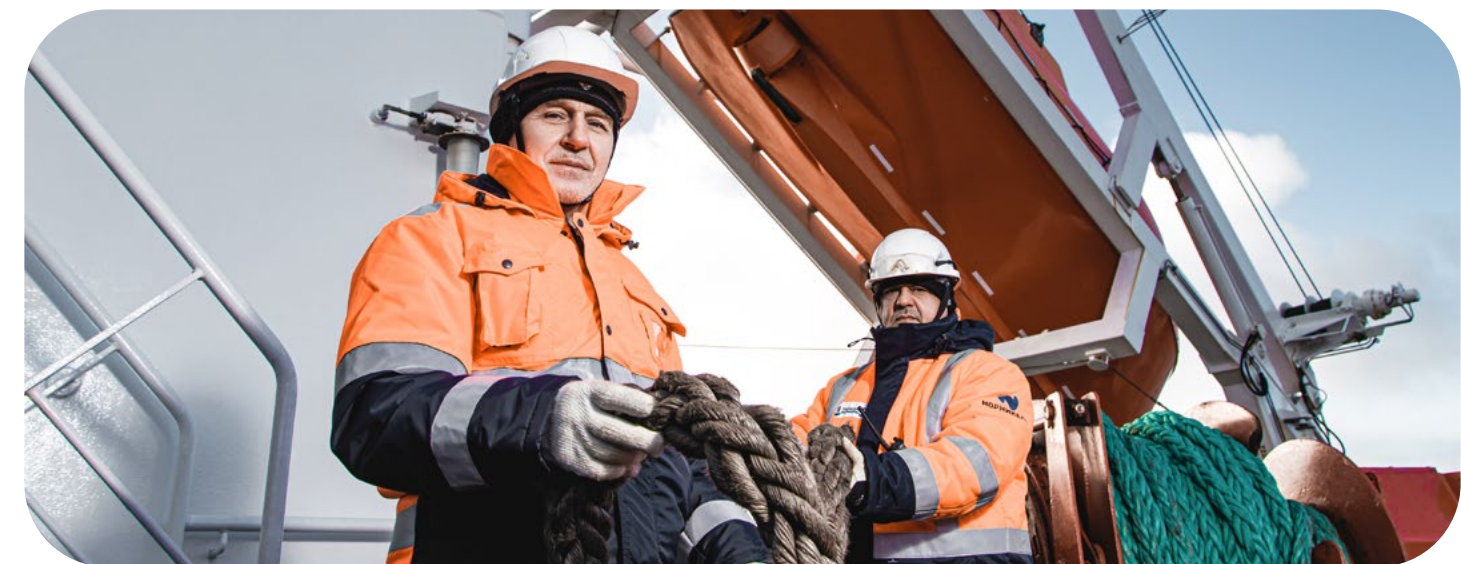
In addition to supply chain certifications and assessments, the Group’s business units, including the Head Office, Polar Division and Kola MMC, have their management systems certified under the following international standards:

- ISO 9001:2015 Quality management systems;
- ISO 14001:2015 Environmental management systems;
- ISO 45001:2018 Occupational health and safety management systems.

Current status of compliance with ESG standards

The summary of Nornickel’s³ compliance with ESG requirements as part of audits, as well as requirements of the London Metal Exchange and EcoVadis⁴ rating agency is presented in the following table.

Focus area	Year	Status	
		Kola MMC	Norilsk Division
Audits			
RMI	2022	RMI Active in cobalt and nickel ¹	No audit conducted.
TfS	2022	No audit conducted.	The auditors confirmed implementation of the 2021 corrective action plan (Norilsk Division, OJSC Krastsvetmet) ²
	2023	–	The auditors confirmed implementation of the 2021 corrective action plan (JSC Uralintech, JSC Prioksky Non-Ferrous Metals Plant) ²
London Metal Exchange			
LME Policy on Responsible Sourcing	2022	LME Track «C» chosen. 2021 RFA reports accepted by the LME.	
	2023	2022 RFA reports to be sent to the LME in Q2 2023.	
EcoVadis rating platform			
EcoVadis business sustainability rating	2022	Rating upgraded to 62 (out of 100) in September 2022	



¹ Valid from 22 June 2022 to 31 January 2023.

² Under the LME Track «A», compliance with the JDDS equates to compliance with the LME Policy on Responsible Sourcing of LME-Listed Brands.

³ The summary covers the Group’s Russian entities.

⁴ EcoVadis is a platform for corporate social responsibility and sustainable procurement ratings.

¹ Valid from 22 June 2022 to 31 January 2023.

² The Group’s mineral processors.

Mid-term plans

As the first step, the Company rolled out the DDMS for mineral suppliers.

Nornickel plans to expand the scope of suppliers subject to due diligence in addition to mineral suppliers and to include suppliers of goods, works and services as well.

The key focus of Nornickel's responsible supply chain in 2023 is to start assessing all supplier categories for the Code compliance. To this end, the Company is launching a new tool, the Supplier

Self-Assessment Questionnaire (SSAQ). The form includes environmental, social and corporate governance (ESG) metrics and is expected to determine suppliers' ESG maturity. Going forward, after analysing

supplier questionnaires, Nornickel plans to make this tool part of the supplier selection process.



Standards compliance index

Report section	OECD Guidance	CCCMC Guidelines	IRMA ¹	Page	Comments
About Nornickel Group	–	–	–	1	
About the Report	Describe the methods for disclosing supplier information to supply chain participants. Report annually on supply chain due diligence	7.5 Report on process and results of supply chain risk management	3.4.6.2 Annual public reports	1	All Extractive Industries Transparency Initiative (EITI) required data disclosed in the Company's annual reports
Approach to mineral supply chain due diligence management	–	–	–	3	Nornickel developed and deployed its own risk assessment system containing the steps recommended by the OECD Guidance and the IRMA
Summary of responsible supply chain results in 2021–2022	–	–	–	5	
Section 1: Supply chain Due Diligence Management System	–	–	–	6	
Responsible Sourcing Policy	Describe the supply chain management policy	7.1.1 Adopt and communicate a company responsible sourcing policy to suppliers and the public	–	8	

¹ Chapter 3.4: Mining and CAHRA of the Standard for Responsible Mining of the Initiative for Responsible Mining Assurance.

Report section	OECD Guidance	CCCMC Guidelines	IRMA'	Page	Comments
Management framework and responsible parties	Describe the supply chain due diligence management framework	7.1.2 Structure internal management to support supply chain due diligence	3.4.3.2 Assessments to follow a recognised risk assessment methodology and to be carried out by competent professionals 3.4.2.2 Company approach to human rights, maintaining documentation on minerals, assigning responsible parties, managing the grievance mechanism 3.4.3.3 Assessments to be based on credible evidence 3.4.6.1 Reporting to senior management	8	Nornickel has its Human Rights Policy available on the Company's website at: https://www.nornickel.com/sustainability/social-responsibility/human-rights/
Training for managers and employees	Provide information on capability training for affected stakeholders	–	–	9	
Supply controls and transparency	Describe the control system over the supply chain and the record-keeping system	7.1.3 Establish a system of controls and transparency over the mineral supply chain	3.4.3.3 Assessments to be based on credible evidence	10	
Interaction with suppliers	Provide information on capability training for affected stakeholders	7.1.4 A supply chain policy to be incorporated into contracts and/or agreements with suppliers	–	11	
Corporate Trust Line	–	7.1.5 Establish a grievance mechanism	3.4.2.2 Company approach to human rights, maintaining documentation on minerals, assigning responsible parties, managing the grievance mechanism	12	
Section 2: Identification and assessment of supply chain risks	–	–	–	13	
Identification of risk indicators in the mineral supply chain	Describe the risk assessment methodology	7.2.1 Engage with suppliers to identify risks and confirm basic source information of materials 7.2.2 Undertake enhanced due diligence to identify risks in their supply chain 7.2.3 Assess risks of adverse impacts under CCCMC Guidelines 7.3.4 Undertake additional risk assessments for risks requiring mitigation, or after a change of circumstances	3.4.1.1 Conduct analysis to determine whether an area is on the CAHRA list 3.4.2.1 Respect for human rights 3.4.3.1 Assess the risks, their roots and whether they may lead to infringement of human rights 3.4.3.4 Risk assessments to be updated regularly	15	Nornickel does not operate in CAHRA, but performs enhanced supplier due diligence if it identifies risk indicators associated with CAHRA

Report section	OECD Guidance	CCCMC Guidelines	IRMA'	Page	Comments
Assessment of mineral supply chain risks	Describe the risk assessment methodology	–	3.4.1.2 Undertake the additional due diligence steps if an area is on the CAHRA list 3.4.3.1 Assess the risks, their roots and whether they may lead to infringement of human rights	16	
Risk assessment frequency and the management's involvement	–	7.3.1 Report findings of the supply chain risk assessment to the designated senior management of the company	3.4.3.4 Risk assessments to be updated regularly 3.4.6.1 Reporting to senior management	17	
Supplier due diligence in 2021–2022	Publish the results of risk assessments	–	3.4.4.3 Adhere to the IRMA corporate social responsibility requirements if risks to human rights are identified	23	No human rights risks confirmed in the reporting period
Section 3: Risk management plan	–	–	–	20	
Action plan following risk confirmation and risk management strategy	Describe the steps taken to manage risks; Describe the risk management strategy; Describe the efforts made to monitor and track performance of risk management	7.3.2 Devise a risk management plan and choose a strategy 7.3.3 Implement the risk management plan	3.4.4.1 Develop and implement a risk management plan 3.4.4.2 Collaborate with relevant stakeholders to develop risk mitigants 3.4.5.1 Monitor the effectiveness of the risk management plan 3.4.5.2 Cease operations, mitigate the impact and monitor due diligence activities in case of human rights violations	20	In the reporting period the Company had no interaction with representatives of local communities as part of risk management plans development due to absence of confirmed risks within mineral suppliers
Section 4: Independent audits	Independent third-party audits	7.4 Carry out independent third-party audit at identified points in the supply chain	–	21	
Mid-term plans	–	–	–	24	
Standards compliance index	–	–	–	25	
Abbreviations	–	–	–	30	

Abbreviations

CAHRA	Conflict-Affected and High-Risk Area
ESG	Environmental, Social and Corporate Governance
IRMA	Initiative for Responsible Mining Assurance Standard for Responsible Mining of the Initiative for Responsible Mining Assurance
IRMA Responsible Mining	IRMA Standard for Responsible Mining Standard for Responsible Mining of the Initiative for Responsible Mining Assurance
JDDS	Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc
RCI	RSBN Responsible Criteria Index
RFA	Red Flag Assessment
RMAP	Responsible Minerals Assurance Process RMI approach to responsible supply chain audits
RMI	Responsible Minerals Initiative
RSBN	Responsible Sourcing Blockchain Network
TfS	Together for Sustainability Initiative
Upstream	Suppliers at the beginning of the supply chain (operations from extraction of minerals to output of semi-products)
Self-Assessment Questionnaire	Supplier Self-Assessment Questionnaire

Head Office	MMC Norilsk Nickel's Head Office
GRK Bystrinskoye	GRK Bystrinskoye
Group	Nornickel Group
Polar Division	Polar Subdivision of Norilsk Division
Kola MMC	Kola MMC
Code	MMC Norilsk Nickel's Supplier Code of Conduct
Company	MMC Norilsk Nickel
LME	London Metal Exchange
Mineral	Mineral raw materials containing nickel, cobalt, and copper
RSC	Responsible supply chain
OECD	Organisation for Economic Co-operation and Development
Plan	Risk Management Plan
Policy	MMC Norilsk Nickel's Responsible Sourcing Policy
OECD Five-Step Framework	OECD Due Diligence Guidance Five-Step Framework for Risk-Based Due Diligence in the Supply Chain of Minerals from Conflict-Affected and High-Risk Areas
OECD Guidance	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Disclaimer

The information contained herein relies on the data available to MMC Norilsk Nickel as at the date of this Responsible Supply Chain Report. After this Responsible Supply Chain Report was prepared, the Company's operations as well as forecasts and overview of the current situation presented in the Responsible Supply Chain Report may have been affected by external or other factors, including the escalation of the geopolitical conflict in Ukraine, sanctions imposed by the United States, the European Union, the United Kingdom and other nations against the Russian Federation, Russian individuals and legal entities, Russian Federation's response to sanctions, economic and other measures introduced to maintain the economic and financial stability of the Russian Federation, the COVID-19 pandemic and other factors beyond the Company's control. In particular, the United States, the European Union, the United Kingdom, and other nations have imposed export controls against the Russian Federation that restrict, among other things, supply of industrial equipment to the Russian Federation. These export controls may have a negative impact on the manufacturing capabilities of MMC Norilsk Nickel, should it be unable to purchase and deliver equipment to the Russian Federation.

The Responsible Supply Chain Report discloses the Company's short-, medium-, and long-term goals and plans. All plans and intentions outlined in this Sustainability Report are provisional and subject, among other things, to a number of economic, political and legal factors, including the factors mentioned above, beyond Nornickel's control. Forwardlooking statements are subject to risks and uncertainties as they refer to events and depend on circumstances that may or may not occur in the future. Forwardlooking statements are not guarantees of the Company's future operational and financial performance, and actual results of the Company's operations, its financial position, liquidity, prospects, growth, strategy, and the development of the industry in which MMC Norilsk Nickel operates may differ materially from those expressed or implied by the forwardlooking statements contained in this Responsible Supply Chain Report. MMC Norilsk Nickel hereby disclaims any liability for any loss resulting from the use of this Sustainability Report, and assumes no obligation to update any forwardlooking statements contained herein.

Information about the market share and other statements regarding the industry in which MMC Norilsk Nickel operates, as well as the Company's position relative to its competitors are based on publicly available information published by other metals and mining companies or obtained from trade and business organisations and associations. Such data and statements have not been independently verified, and the financial and operating performance metrics of MMC Norilsk Nickel's competitors used to assess and compare positions may have been calculated differently from the method used by MMC Norilsk Nickel. This Responsible Supply Chain Report is not part of a securities advertisement, an offer or invitation to sell, issue or offer the right to sell or subscribe for MMC Norilsk Nickel shares and other securities. In line with global best practices, the Responsible Supply Chain Report is also prepared in the XBRL format. Considering that report disclosures in this format are voluntary, the Company does not assume any obligation to comply with any legal requirements for the disclosure of its statements in this format, including obligations to comply with the requirements of UK legislation. Any and all logos and trademarks used in this Responsible Supply Chain Report are the property of their immediate owners, and the use thereof in this Responsible Supply Chain Report should not be construed as a promotion or advertisement for those owners' goods or services.