



NORNICKEL GROUP
RESPONSIBLE SUPPLY CHAIN REPORT BROCHURE
FOR 2021-2022

Moscow - 2023



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.

Since 2021, the Company has been in compliance with the OECD Due Diligence Guidance for Responsible

Supply Chains of Minerals, which requires reporting on the findings of mineral¹ supplier due diligence.



Read the full text of the Report [here](#)

The Nornickel Group Responsible Supply Chain Report gives an insight into the Group's Due Diligence Management System established in 2021–2022. The latter covers mineral supply chain and upstream suppliers, transporters, and processors of nickel-, cobalt-, and copper-containing minerals of the Group's Russian assets, as well as findings of due diligence conducted in 2021–2022.



¹ Hereinafter, mineral means mineral raw materials containing nickel, cobalt, and copper.
² Operations from extraction of mineral raw minerals to output of semi-products.

Approach to mineral supply chain due diligence management

The Company rolls out a responsible supply chain to promote the sustainability agenda among its suppliers, to encourage their compliance with the respective corporate standards, and identify and respond to potential supplier risks in a timely

manner. Nornickel adheres to the requirements of the leading international initiatives for responsible mining of minerals and sustainable supply chains.

The Company developed a supply chain Due Diligence

Management System (the "System") for minerals which consolidates the procedure of supplier due diligence against risks related to human rights violations, money laundering, fraud, and corrupt practices.

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

The supplier due diligence procedure includes the following stages¹:

- 01 analysing aspects of the supplier's business to identify risk indicators;
- 02 conducting 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);
- 03 developing and implementing a risk management plan (in case of risk confirmation);
- 04 reporting on the findings.

¹ For more details on the stages, please see the Responsible Supply Chain Report..

Summary of responsible supply chain results in 2021–2022

The results of internal activities and due diligence:

- the Board of Directors approved [PJSC MMC Norilsk Nickel's Responsible Sourcing Policy](#) and [Supplier Code of Conduct](#);
- the Company amended its supply agreements to include a requirement to comply with the Company's ESG standards (the clause contains information on the opportunity to report to Nornickel's Corporate Trust Line), and added an anti-corruption clause;
- Nornickel developed and deployed a mineral supply chain Due Diligence Management System;
- due diligence was conducted on mineral suppliers, including the internal suppliers that are part of the Group;
- no risks were identified in supply chains following due diligence.



[PJSC MMC Norilsk
Nickel's Responsible
Sourcing Policy](#)



[Supplier Code
of Conduct](#)

The results of external audits and assessments of the Company:

- Nornickel's production sites and the Group's mineral processors underwent external audits and assessments¹ for compliance with:
 - Together for Sustainability initiative (TfS);
 - Responsible Minerals Initiative (RMI);
 - Responsible Sourcing Blockchain Network (RSBN);
 - Initiative for Responsible Mining Assurance (IRMA)².

Reporting to the London Metal Exchange (LME):

- In 2022, LME accepted and approved Red Flag Assessment ("RFA") reports relating to LME-listed metal brands.



¹ For more details on the external audits and assessments, please see the Responsible Supply Chain Report.

² Independent assessment of Nornickel mining assets' preparedness for certification under the IRMA Standard for Responsible Mining conducted jointly with ENSOR Management Consultants, an independent consultant.

Training



The Company provides guidance and training to suppliers and employees in order to raise their awareness of and readiness for Nornickel's due diligence, build an ESG culture, and instill common values.

The Company provides responsible supply chain trainings covering internal policies and processes as well as the requirements of applicable international standards, to suppliers (external and internal ones that are part of the Group) and employees.

In 2021–2022, Nornickel conducted a total of 10 training sessions on responsible supply chain principles and the System.

The total number of employees trained exceeded

>470 trainees

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

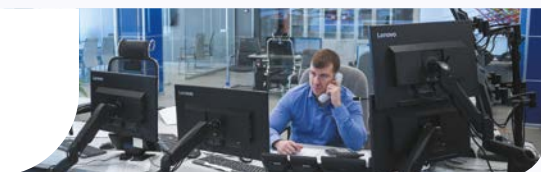
761 hours

In addition to training, the Company also advises its suppliers on international sustainability standards and provides educational

materials. 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 supply chain due diligence.

Corporate Trust Line



In 2010, Nornickel set up its [Corporate Trust Line](#) (the "CTL") receiving reports from stakeholders on violations of law and corporate policies. 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.

In 2022, the Company updated its Procedure on the Corporate Trust Line to include a new reporting subject related to responsible mineral sourcing. In 2022, the CTL received no reports on violations in this field.



<https://www.nornickel.com/sustainability/corporate-hotline/>

Mid-term plans

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

