



Navigating the Transition to a Net Zero World

ESG Presentation
December 2021

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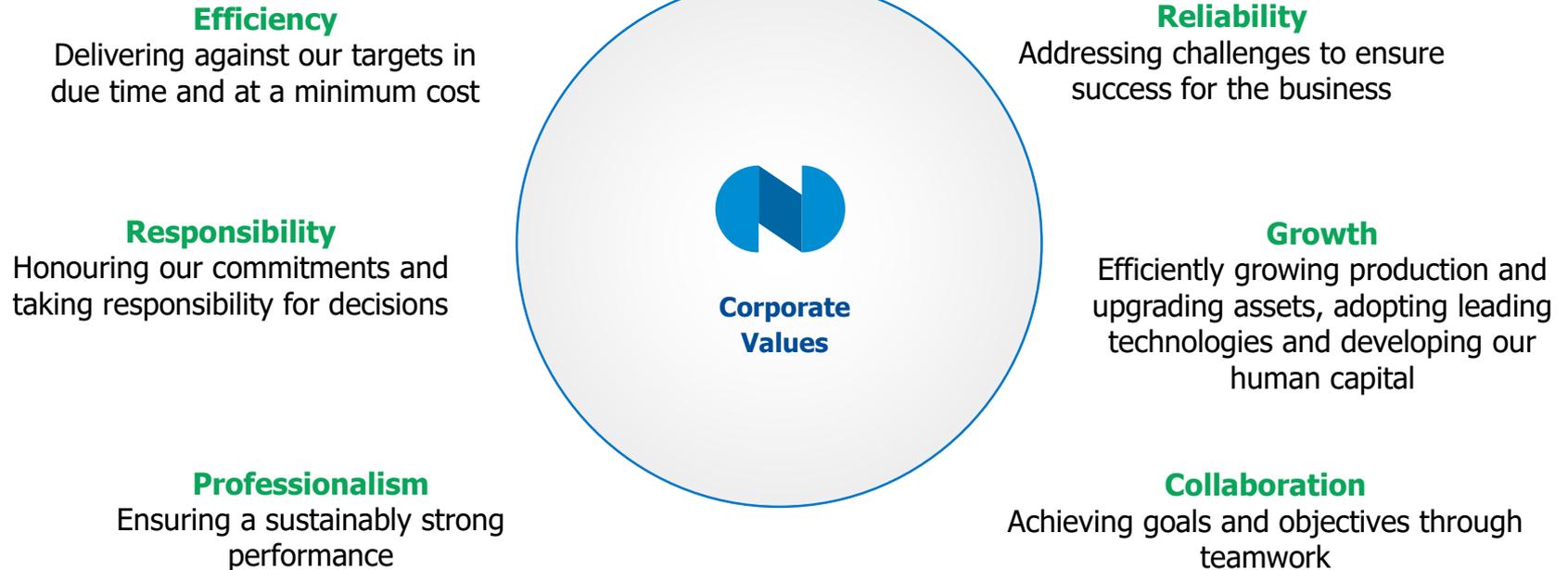
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Norilsk Nickel's Principles of Sustainable Development



Norilsk Nickel Contribution to UN Sustainable Agenda



Participant of the UN
Global Compact since 2016

US\$ 2.5bn (1)

Total spending in 2020 to attain sustainable development goals
(16,4% of consolidated IFRS revenue)

Key SDG-linked projects in 2020

S Social

- Occupational safety programs
- Rollout of corporate medicine program
- Designing and rolling out COVID-2019 response measures
- Maintaining health improvement and wellness programmes for employees and their families
- Support of indigenous peoples
- Support of regional communities, social and healthcare infrastructure
- Support of various charity, sports and education programmes

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

E Environment

- Reduction of environmental footprint in Kola
- Active construction of "Sulfur program 2.0" in Norilsk
- Protection and rational use of water
- Launch of legacy waste collection in Norilsk
- Clean-up and remediation of an environmental incident
- Improving efficiency, industrial safety and reliability of energy infrastructure
- Supporting various scientific expeditions

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

G Governance

- Improving internal corporate governance structure to ensure better oversight of environmental risks and climate change
- Cooperation with federal legislative and executive authorities, civil society institutions, and the business community
- Digitalization projects
- Support of various nature reserves
- Anti-corruption initiatives
- Joined RMI, RSBN

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

Source: Company data
Note: 1. Equivalent to RUB 183 bn

Sustainable Development Performance Highlights

E Environment & Climate Change

- Global nickel' industry lowest carbon footprint per tonne of Ni equivalent
- Global mining industry lowest Scope 1, 2 & 3 emissions
- New 2028 CO₂ carbon intensity target announced: 16% cut
- Pioneering as a producer of carbon neutral nickel products

S Social

- Proven track record of acting as a responsible corporate citizen
- Comprehensive support of regions of operations and national projects
- Strong legacy of supporting indigenous populations, pioneering free prior informed consent in the Russian mining industry

G Corporate Governance

- Revamped corporate governance structure and improved risk management
- Amended short-term and long-term KPIs to include sustainable development targets
- Balanced and efficient Board of Directors

Sustainable Development Strategic Focus

E Environment & Climate Change

- Cleaning up legacy pollution and environmental rehabilitation after incidents in Norilsk
- Reducing significantly SO₂ emissions at two largest operating sites
- Reducing carbon footprint from already low base
- Managing physical risks, foremost, in Norilsk Division
- Reducing negative impact on biodiversity

S Social

- Achieving zero fatalities
- Reducing impact from operations on local communities
- Revamp of residential and social infrastructure of Norilsk

G Corporate Governance

- Embedding new sustainable development culture within the organization
- Compliance with major international sustainable development initiatives

Responding to Sustainable Development Challenges: Overview of Key Initiatives in 2021

Environment

- Environmental and Climate Change Strategy approved by the Board, setting 18 targets until 2030
- RUB40 bn ⁽¹⁾ [clean-up program](#) of the city of Norilsk launched: demolition of obsolete buildings, scrap and debris collection, land rehabilitation
- [Full environmental remediation](#) of the 2020 diesel spill incident at HPP-3 in progress
- SO₂ emissions at Kola Division: 85% reduction in 2021 on track, cross-border pollution has been ceased
- SO₂ emissions at Norilsk Division: construction of Sulphur Programme at Nadezhda smelter (ETC 2023) and Copper plant (ETC 2025) on track

Climate Change

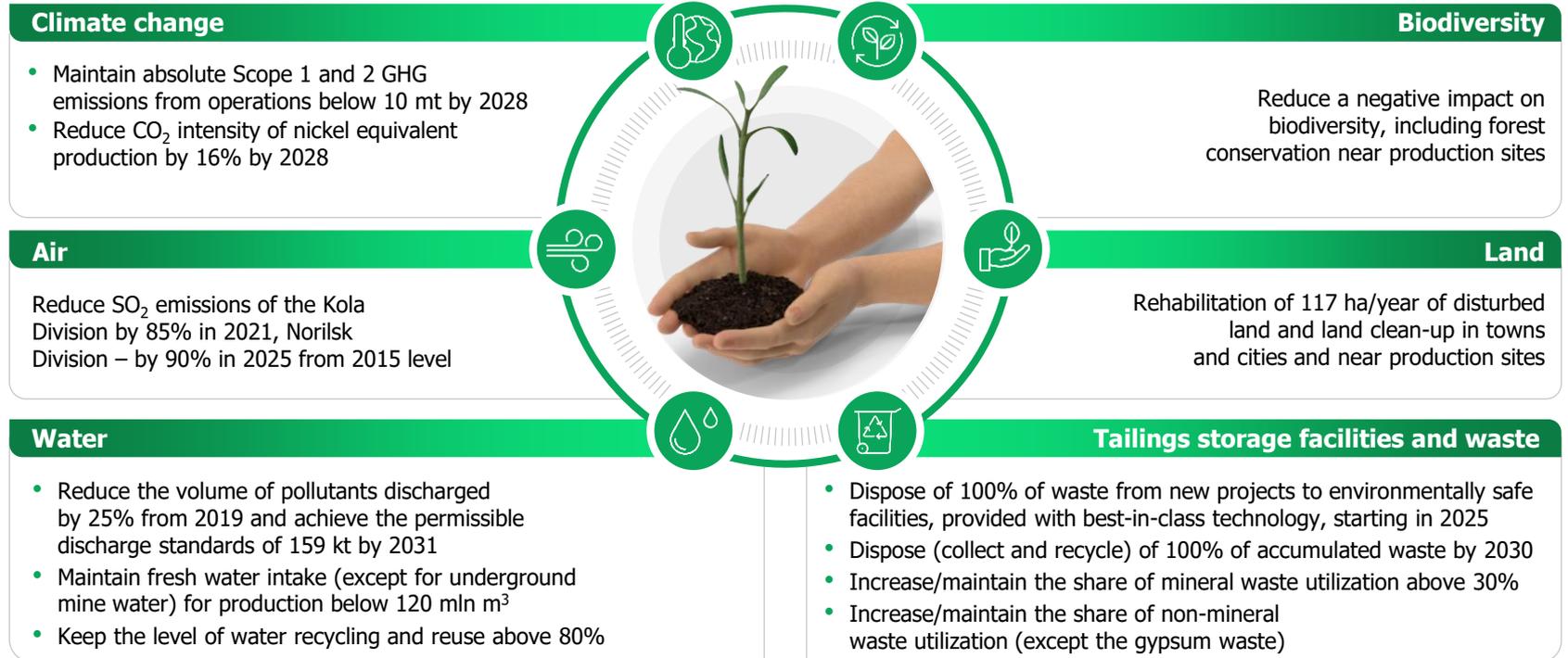
- New 2028 CO₂ carbon intensity target announced: 16% cut
- Reduction of CO₂ emissions in '19-20, production of carbon neutral Ni
- Upgrade of fuel storage facilities and energy infrastructure in progress
- Pilot real-time monitoring of the foundations of emergency fuel storage facilities launched
- First results of satellite monitoring received and analyzed
- Technical inspections of buildings and constructions in progress
- Upgrade of emergency fuel leak liquidation plans and upgrade of emergency response teams and technical resources

Social & Corporate Governance

- Preparation of Norilsk renovation and corporate healthcare projects launched
- A new ESG-focused corporate governance structure introduced
- Annual and long-term KPIs amended
- A new program to tackle fatalities is rolled out
- [Air quality monitoring launched in Norilsk](#)
- A dedicated department at Norilsk Division and Indigenous Communities Coordination Council have been created
- Pioneered consultations of receiving free and prior informed consent from indigenous peoples
- Improved climate change and ESG disclosure

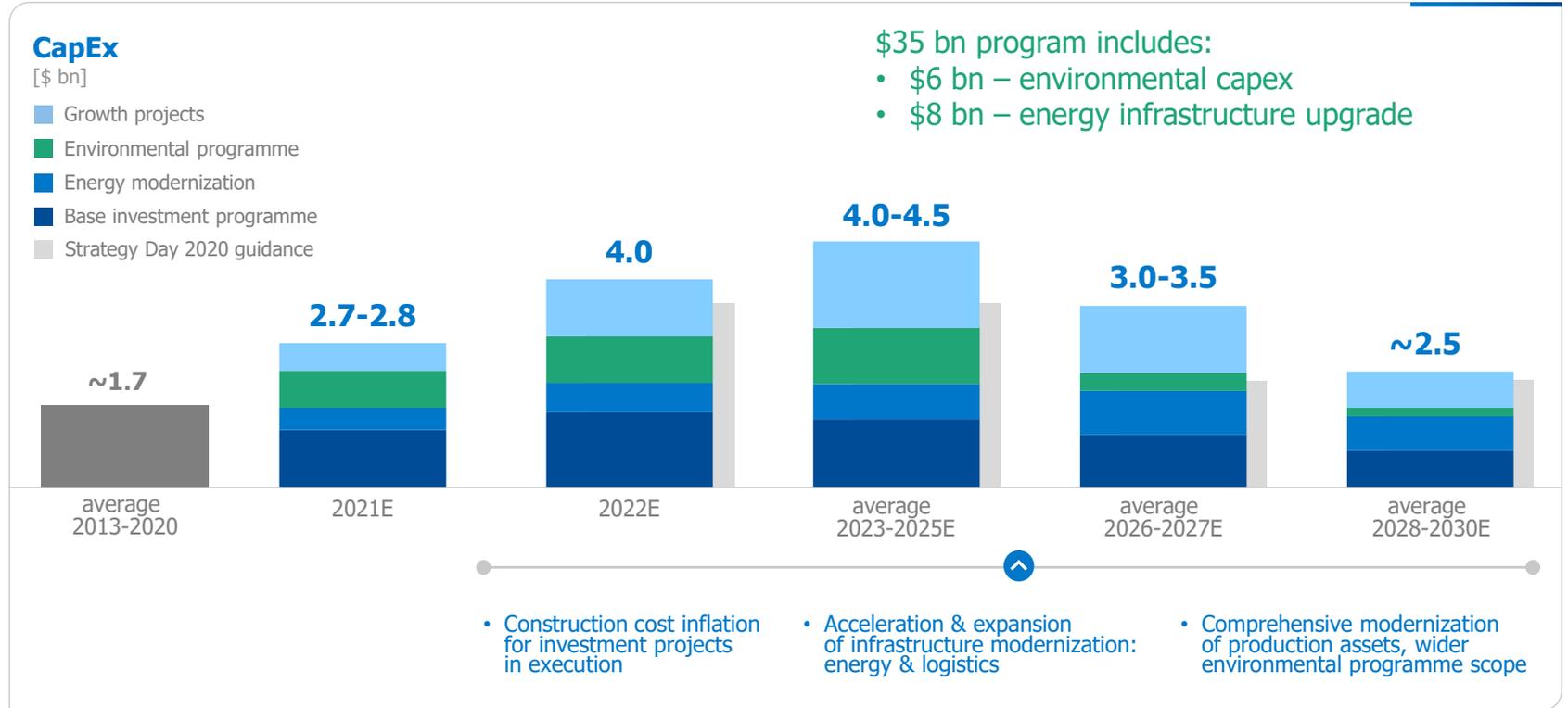
Selected Environmental and Climate Change Targets (1)

Total Environmental CAPEX of USD6 bn in 2020-2030



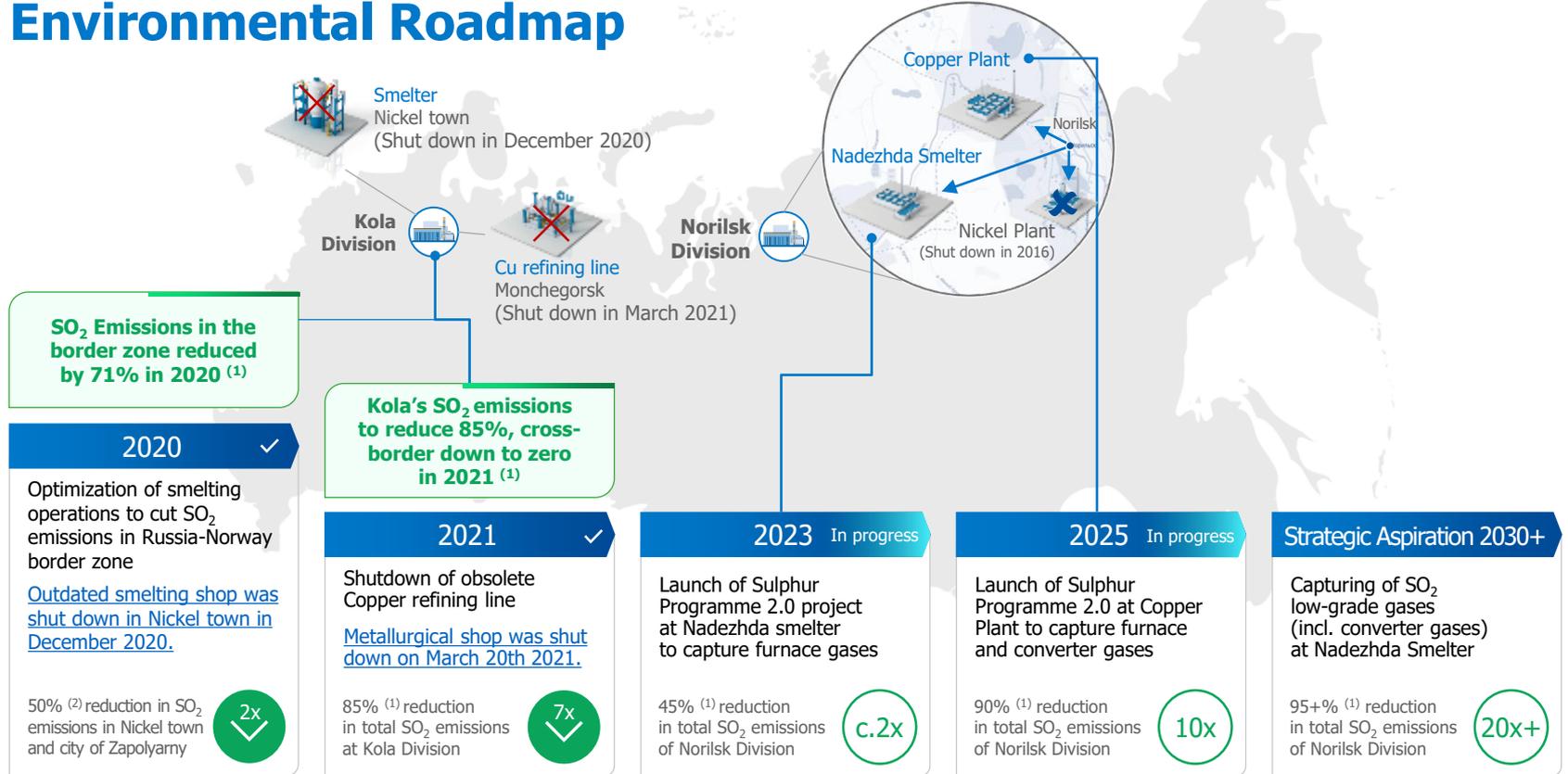
Note: 1. Targets set for 2030 unless noted otherwise. Source: Company data
 For more details please read: https://www.nornickel.com/upload/iblock/88b/Norilsk_Nickel_Environmental_Strategy_2021_en.pdf

Expanded Investment Cycle



Source: Company data

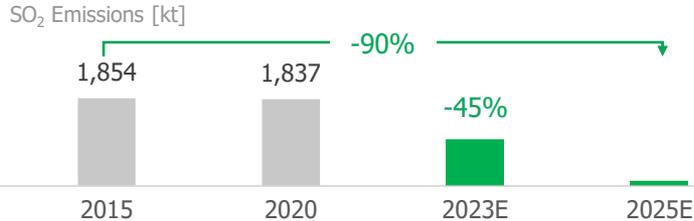
Sulphur Programme 2.0: Environmental Roadmap



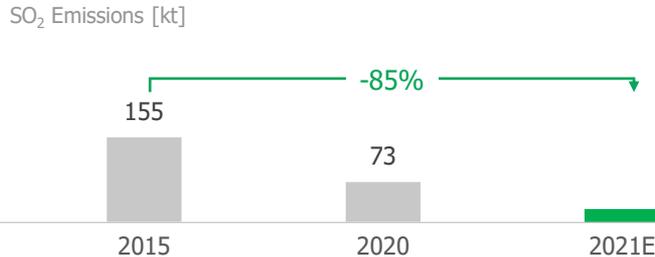
Notes: 1. 2020 vs 2015; 2. As compared to "base" year (2015)

Environmental Program: Reduction of SO₂ Emissions on Track

Norilsk Division: SO₂ Emissions Practically Unchanged in 2020, Sulphur Programme in Active Construction Phase



Kola Division: SO₂ Emissions on Track to Reduce 85% in 2021 vs 2015



Strategic target: achieve industry-leading SO₂ utilization rates

- Kola Division: All smelting facilities have been shut down, with the copper refining line shut in March 2021
- In addition to overall reduction of SO₂ emissions at Kola, cross-border emissions have been completely ceased
- Norilsk Division: Construction of sulphur capture and neutralization at Nadezhda smelter in progress
- In 2021, testing of a real-time air quality monitoring system was launched in the city of Norilsk, with 14 air quality control points have been installed within the city limits
- Automated air quality monitoring system at the Company's industrial sites to be launched in the mid-term

Source: Company data

Note: <https://www.nornickel.com/news-and-media/press-releases-and-news/nornickel-to-help-organise-air-quality-monitoring-in-russia/type=news>

Sulphur Programme 2.0 at Kola Division – Completed

Smelter in Nickel town – shut down in December 2020

- Complete eradication of cross-border emissions

Copper refining line in Monchegorsk – shut down in March 2021

- Phase-out of obsolete production facilities
- Significant air quality improvement in Monchegorsk
- Expected reduction of Kola sulphur dioxide emissions in 2Q-4Q 2021 – 85% (compared to 2015 “base” year emissions level)
- New copper line to be based on modern environmentally-friendly technology
- Production flows to be redirected to Norilsk Division, with optionality of partial sales to third-parties



Sulphur Programme 2.0: Norilsk Division

Nadezhda Smelter: Flagship Project

Construction of furnace gases capturing, sulfuric acid neutralization line and supporting infrastructure:

- All key contracts signed
- Piling, steel works, gypsum storage dam raising – in progress
- Project design allows for an expansion of the smelter's capacity (construction of a 3rd furnace)

Copper Smelter

Project aims to capture 99-99.5%+ of SO₂ (in line with global benchmarks) and includes construction of a new continuous converting unit and acid neutralization line:

- Phase 1: Gas cleaning unit reconstruction – in progress
- Phase 2: Basic engineering / design completed
- FID taken in June 2021, construction to commence in 2022



CAPEX
\$4.1-4.3 bn



HPP-3 Incident: Full Environmental Remediation in Progress

2020: Completion of Phases 1&2
(clean-up) **and Phase 3** (transportation
and utilization of contaminated materials)



- Over 90% of leaked fuel was collected and all of the contaminated soil removed
- Collected water-fuel mixture was transported to an industrial site near Nadezhda smelter, where it was separated into a fuel and water
- Contaminated soil was placed into sealed-off hangars to prevent further risk to the environment
- River shores were treated with sorbents and washed off
- Fuel residues in soil and water were collected (with a help of sorbent boms)

Independent Impact Assessments:

- [Root causes investigation by ERM](#)
- [Impact assessment on local indigenous population](#) via ethnological survey and expedition
- [Scientists' field work assessment – Great Norilsk Expedition, Phase-1](#) completed in 2020
- Land rehabilitation plan prepared by ECOTERRA (1)

2021+: Phase 4
(rehabilitation) **in progress**



2021

- Settled damages to wildlife from the regional government (Krasnoyarsk region) and fully settled the claims for the damages to soil and water from Environmental Watchdog (Rosprirodnadzor)
- Settlement in kind of damages to fish resources are being negotiated with the regulator
- Washing of river shores and treating contamination residues on the land with sorbents (continued from 2020)
- Rehabilitation of the collected contaminated soil using microbiological technology
- Land reclamation, grass seeding (continued from 2020)
- Monitoring of water bodies, soil, flora and fauna (continued from 2020)
- Reproduction of aquatic bio-resources (ongoing program)

Independent assessment and advisory

- Scientists' field work assessment – Great Norilsk Expedition, Phase-2
- Program for the remediation of damages to wildlife prepared by the Institute of Ecology and Geography of the Siberian Federal University
- Comprehensive survey of Norilsk-Pyasinno water system carried out by a non-profit organization "Fund of Polar Research"

Source: Company data

Note: 1. Independent non-profit organization Expert-Analytical Center on Environmental Problems

Read more: <https://www.nornickel.com/news-and-media/press-releases-and-news/updates-on-the-clean-up-operation-following-diesel-spill-in-norilsk/>

HPP-3 Incident: Land Reclamation and Soil Rehabilitation

Soil Rehabilitation in 2021

- The contaminated soils have been replaced near HPP-3, Ambarneya river and Bezymyanny creek
- The impacted area has been sowed with traditional Arctic grass and vegetation (meadow clover, thimothy grass, meadow fescue)
- The field reclamation activities continued until the beginning of winter season October and will resume in spring 2022 (if needed)

Recycling of Oil-Contaminated Soil

- All of the contaminated soil has been removed and was placed into sealed-off hangars (with a roof and concrete basement) to prevent further risk to the environment
- The contaminated soil has been recycled using method of microbiological remediation (bioremediation) - method based on biological decomposition of contaminants by hydrocarbon degrading microorganisms
- After recycling, the soil can be used at industrial sites as a backfilling of mine workings, industrial waste landfills, for repairing of the infield roads, slope filling and other



Source: Company data

Note: 1. Independent non-profit organization Expert-Analytical Center on Environmental Problems

Read more: <https://www.nornickel.com/sustainability/environment/land/>

Clean-up and Collection of Legacy Waste in Norilsk Area

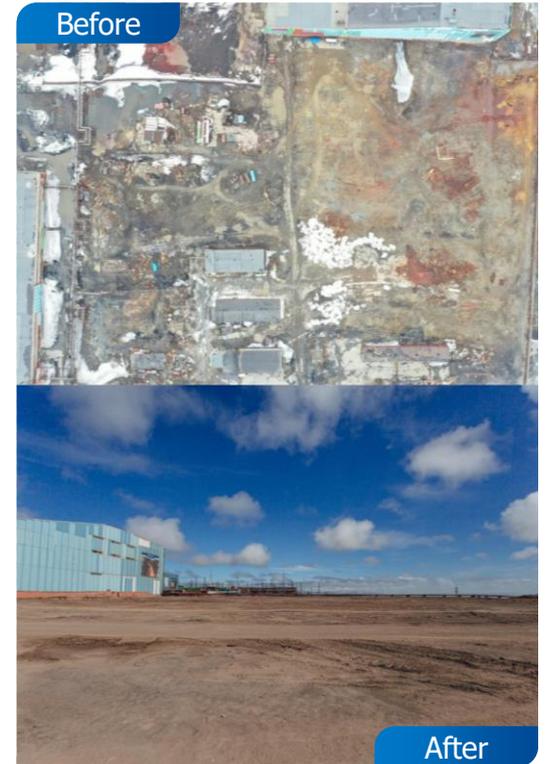
The first phase of the clean-up and removal program for legacy industrial and construction waste in Norilsk area launched

- A dedicated Department, Work with Territories and Landscaping, has been created in Norilsk Division: with over 750 employees and 121 units of specialized machinery and equipment
- The program aims at the demolition of old abandoned buildings and structures, pipelines, utility lines and networks, and the removal of scrap metal accumulated around industrial sites within the city of Norilsk and its neighboring area
- **Program Targets:** demolition of 467 abandoned buildings and structures, collection of 2+ mln tons of waste and 600+ kt of metal scrap

2021 Targets:

- Clean up of waste and old equipment at over 2.1m m² area
- Dismantle 171 obsolete buildings and structures
- Collect and remove 377kt of waste and 115kt of metal scrap
- Sanitary treatment of the cleaned-up area after scrap and waste have been removed

\$0.6 bn expected spending
over 2021-2030 ⁽¹⁾



Source: Company data

Note: 1. Equivalent to RUB40 bn

Please read more: <https://www.nornickel.com/news-and-media/press-releases-and-news/nornickel-implements-rub-40-bn-programme-to-clean-up-norilsk/type=news>

Biodiversity: Reducing a Negative Impact

Support of natural reserves and protection of rare animal species

- Support of Russia's largest natural reserves, study and protection of rare and endangered species listed in the Red Book of the Russian Federation, including Siberian bighorn sheep, polar bears and lesser white-fronted geese
- A long-standing corporate project of breeding and releasing valuable fish species into Siberian rivers to replenish their populations

Support of research and development initiatives

- In 2020, [the Great Norilsk Expedition](#), bringing together experts from 14 research institutes of the Siberian Branch of the Russian Academy of Sciences, carried out a comprehensive study of Norilsk area and the Company's environmental impact
- In 2021, [the Expedition's interdisciplinary field teams](#) examined surface water, soils and bottom deposits, plants and animals, and permafrost soils; the scientists will create a GIS model of the Norilsk Industrial District's ecosystem
- A number of baseline studies are scheduled to inspect impacts and risks to biodiversity in the areas of the Companies' operations, which will serve as a basis for a credible biodiversity management plan as well as conservation programmes

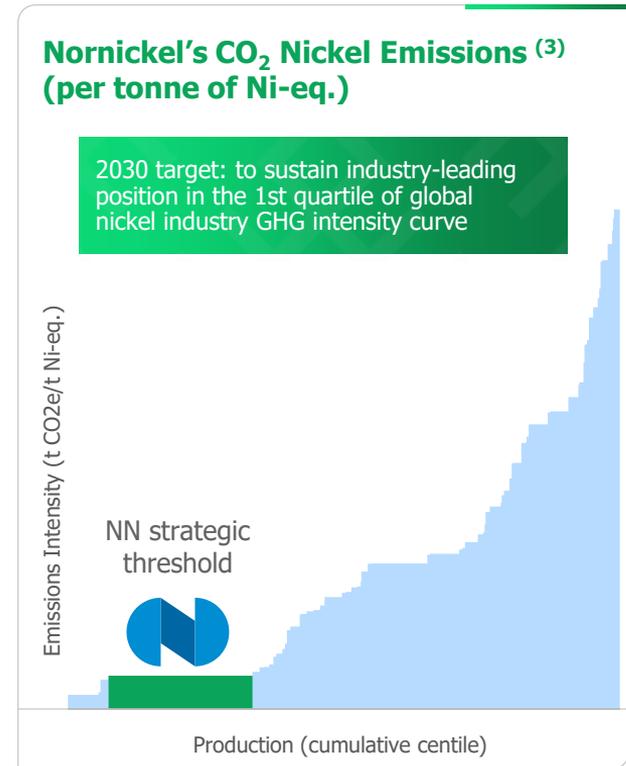
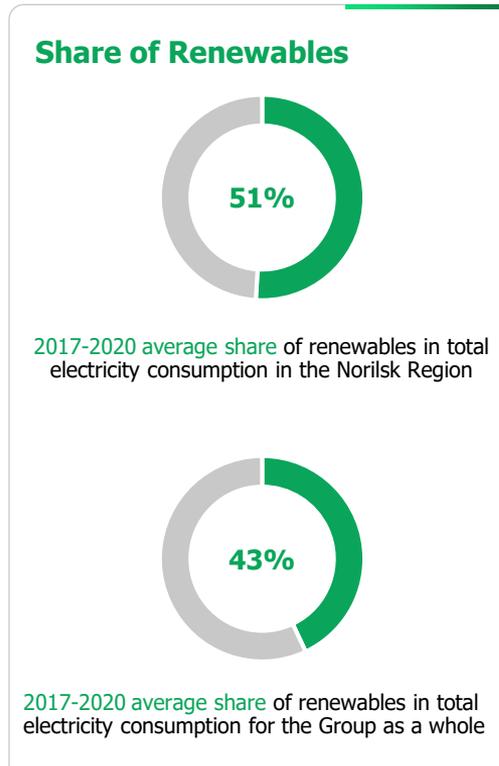
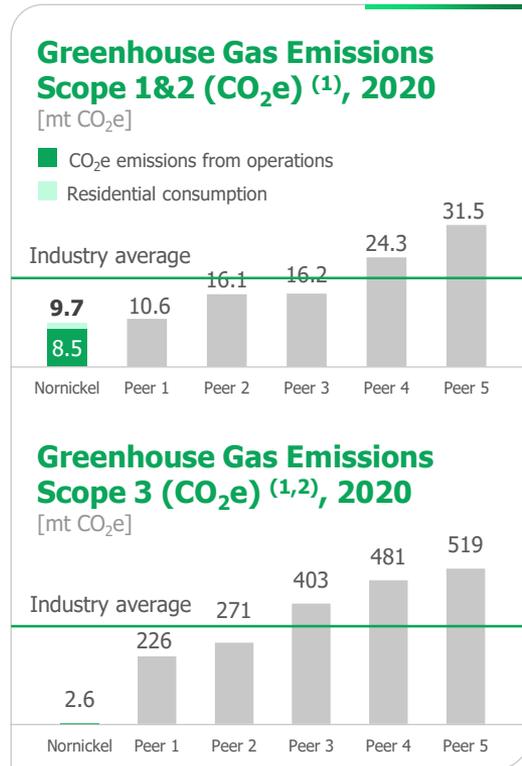
Nornickel recognizes the importance of biodiversity conservation as vital for supporting life on Earth



Source: Company data

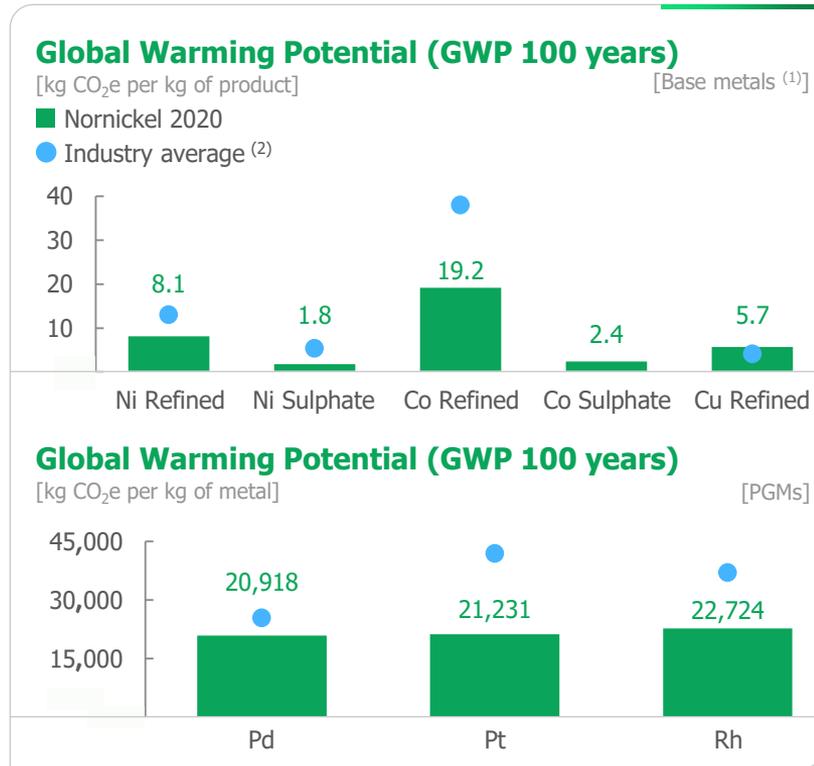
Note: Please refer to our web page for more details <https://www.nornickel.com/sustainability/environment/biodiversity/>

Climate Change: Industry's Lowest Carbon Footprint in Terms of Scope 1,2&3 Emissions and per Tonne of Ni Equivalent



Source: Wood Mackenzie, Company's estimates, Company's analysis, peer group include leading diversified peers BHP Billiton, Rio Tinto, Vale, Glencore, Anglo American. Most recent available data (2019-2020). Notes: 1. Assessment under GHG Protocol Corporate Accounting and Reporting Standards. Nornickel GHG emissions include amount of emissions that come from providing Norilsk with electricity by NTEK, and reserve for CO₂ emissions from Sulphur Programme 2.0 execution, 2. For Nornickel incl. only downstream part of the supply chain, for peers including downstream and upstream, 3. Nornickel figure includes reserve for CO₂ emissions from Sulphur Programme 2.0 execution

Industry's Lowest Carbon Footprint of the Entire Commodities Basket



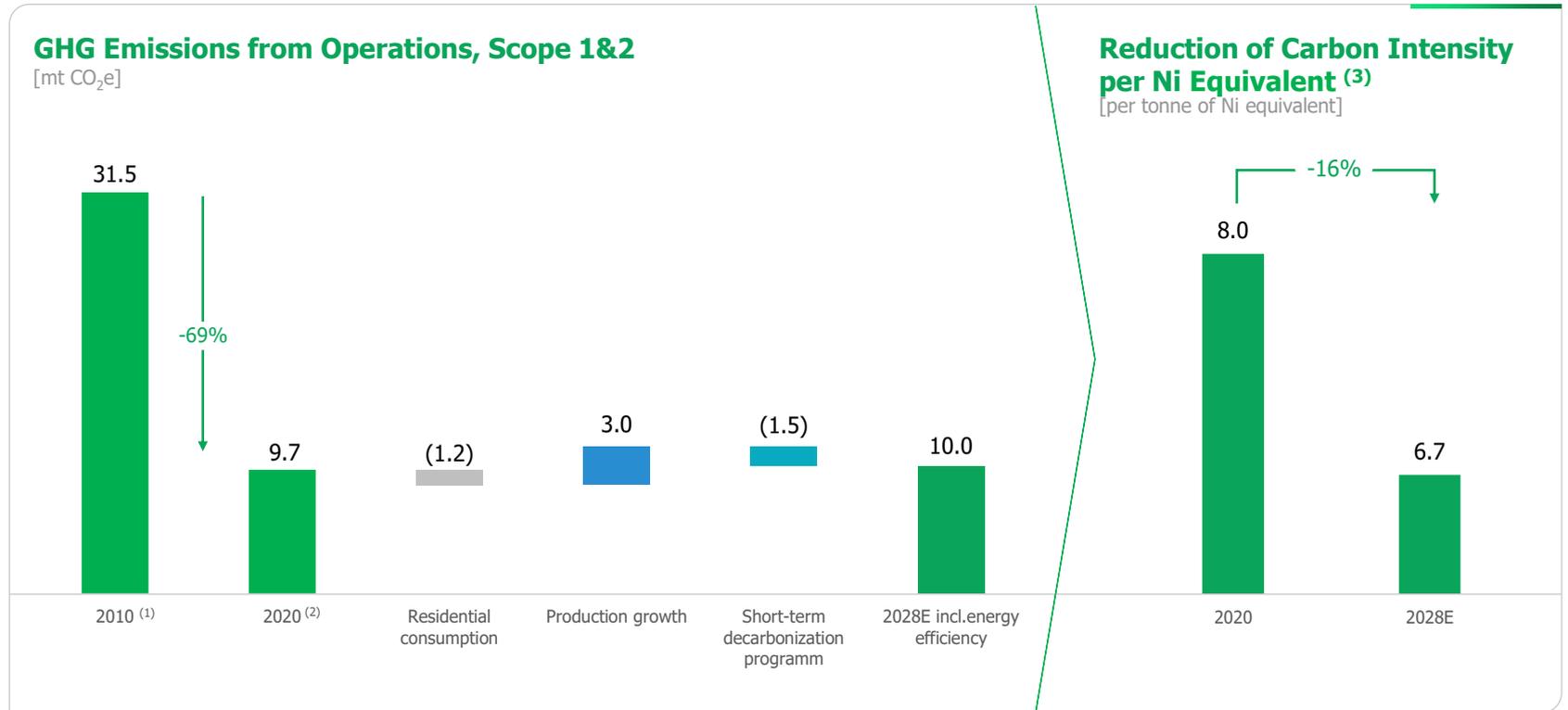
Independent verification and confirmation

- In-house developed methodology for the assessment of carbon footprint of the metals' basket
- The methodology has been verified and confirmed by the international expert company Sphera GMBH (ISO 14040, ISO 14044)
- Actual carbon emissions per unit of finished products have been confirmed and certified by EY (Ernst&Young)

Sources: Ni - Nickel institute, Sphera GMBH, report "Life Cycle Assessment of Nickel Products, 2017", Co - Cobalt Institute, 2015 <https://www.cobaltinstitute.org/sustainability/life-cycle-assessment/>, Cu - The International Copper Association, "Copper Environmental Profile, 2018", PGM - IPA (International Platinum Group Metals Association) & Sphera GMBH "Life Cycle Assessment of Global Platinum Group Metals Production", 2017

Note: 1. Excluding Bystrinskoye Mining Company, 2. Industry average per kg of product (not applicable for direct comparison according to clause 6.2 of ISO 14044)

Climate Change Strategy: Reducing Carbon Intensity and Maintaining Absolute Emissions



Source: Company's analysis

Note: 1. Incl. OGK-3, 2. Incl. reserve for CO₂ emissions from Sulphur Programme 2.0 execution, 3. Ni equivalent volume has been calculated assuming 2020 average commodity prices, incl. reserve for CO₂ emissions from Sulphur Programme 2.0 execution, ex. residential consumption

Selected CO2 Reduction Initiatives



Reduction of Energy Losses

- Reconstruction of power transmission lines
- Upgrade of heat transmission pipes
- Large-scale upgrade of energy equipment



Improvement of Energy Efficiency

- Replacement on turbines at hydro plants and power generating units at Heat and Power Stations in Norilsk Division
- Reduction in power consumption for compressor air production
- Rollout of energy management systems
- Replacement of coal-fired with electric boiler units at Kola Division



CO2 Abatement

- [Construction of a dual-fuel diesel-LNG icebreaker to escort ships carrying Nor Nickel's cargo along the Northern Sea Route](#)
- Upgrade of Chita project dump trucks to LNG fuel
- Other initiatives



Production of Carbon Neutral Nickel Launched

- The first batch of carbon-neutral products **totals 5 kt of nickel cathodes** produced by the Group's Kola Division
- The carbon-neutral nickel was tokenised on Atomyze, a Blockchain platform, and the tokens are listed on the Vienna Stock Exchange by Nornickel's EU-based Global Palladium Fund
- Replacement of hydro turbines and thermal power generation units, upgrade of heating systems and power equipment as well as improvement of insulation allowed Nornickel **to reduce CO₂ emission by 48kt over 2019-2020**, which has been independently **verified by Ernst & Young (EY)**
- Further CO₂ emission reduction initiatives scheduled in 2021-2025 will make it possible to produce in total up to **8 kt of carbon-neutral nickel in 2021 and up to 35 kt per year in 2025**

8.1 ⁽¹⁾ t

of CO₂ per tonne of finished product – carbon footprint of nickel produced in accordance with international standards ISO 14040 and 14044

48 kt

reduction of carbon dioxide emissions by Nornickel Group in 2019-2020, as confirmed by Ernst & Young (EY)

Note: 1. CO₂ has been calculated per tonne of the Company's refined nickel production assuming 2020 CO₂ emissions level



Climate Change: Comprehensive Physical Risk Mitigation Programme – Energy Infrastructure



Reassessment of Risks Related to Hazardous Facilities

- Ad-hoc audit of all industrial buildings and facilities (in progress), with a prime focus on fuel storage (completed)
- Inspection of technological fuel pipelines
- The emergency plans and the design of bunding perimeters of all fuel tanks have been recalculated based on the most aggressive spilling scenarios (assuming 100% of fuel)



Immediate Upgrade of Fuel Storage Facilities

- Demolition of selected emergency fuel tanks posing a potential risk
- Upgrade of the remaining fuel tanks: anticorrosion treatment, upgrade of the bunding perimeters, fuel pumps, installation of new gas detectors and upgrade of automatic leakage control systems
- Repair of diesel fuel pipelines
- Amount of fuel held in emergency storage to halve in 2021 through optimization of available fuel reservoirs



Long-term Initiatives in Energy Infrastructure

- A major \$8+ bn energy modernization and upgrade program until 2030 is in progress, including replacement of equipment at heat and hydro power stations, upgrade of power grid and gas pipeline systems and modernization of fuel tank storages
- Replacement of diesel fuel reservoirs as a source of emergency fuel for Norilsk heat and power plants (fed by natural gas as a primary source) with a second gas pipeline considered as a long-term strategic option



Comprehensive Physical Risk Mitigation Programme

Repair of Diesel Fuel Pipelines and Supports



Inspection of Technological Pipelines



Anticorrosive Treatment of Fuel Tanks



Upgrade of the Bunding Perimeter of a Fuel Tank



Physical Risks: Monitoring of Permafrost-Based Foundations in Norilsk



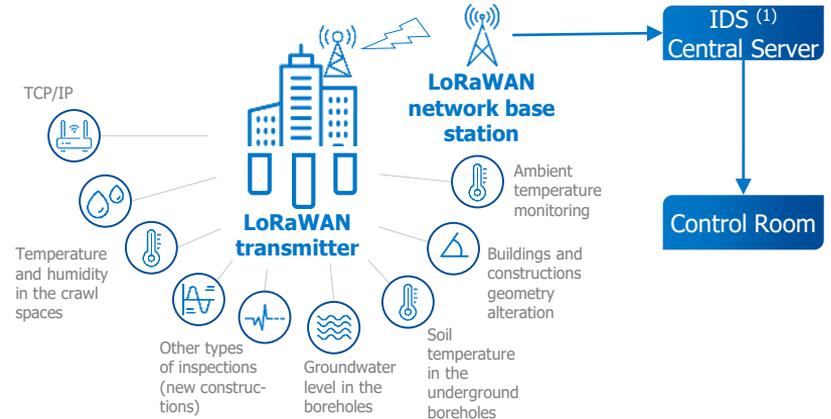
In 2020, satellite monitoring of permafrost-based structures launched in 4 priority areas: Norilsk, Dudinka, Snezhnogorsk and Svetlogorsk



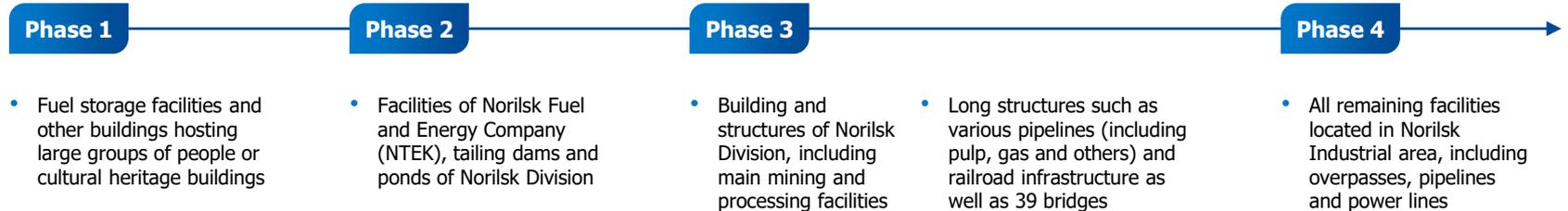
In 2021, a new permafrost-based foundations monitoring system was launched:

- Monitoring is carried out with the help of boreholes (with thermistor chains or water pressure sensors), incline detectors, humidity, ground temperature and water sensors as well as some others
- **Program target:** 1,500 of assets, including tanks, pipelines, production facilities and administrative buildings, to be equipped with real-time sensors, which will be plugged into the IDS system
- The Monitoring Center of Buildings and Structures of Norilsk Division, which carries out geotechnical monitoring and technical inspections, has been upgraded, staff expanded

Geotechnical monitoring system



Phased roll out of permafrost-based foundations monitoring system in Norilsk Industrial District



Source: Company data

Note: 1. IDS - Automated information-and-diagnostic system

Physical Risks: Roll-Out of Online Permafrost-Based Foundations Monitoring in Norilsk in Progress

Selected 2021 targets:

- Install over 1,200 sensors, including over 450 thermistor strings, over 700 inclinometers, over 60 humidity and temperature transmitters, at 39 fuel tanks and another 115 buildings and structures in Norilsk, with a real time data to be collected and analyzed by a central monitoring center
- Drill over 375 boreholes to install thermistor strings to monitor temperature distribution in the subsoil of building foundations
- A pilot monitoring project has been completed for 11 emergency fuel tanks
- Technical inspections of underfloor spaces (of circa 800+ objects vs almost 700 already inspected in 2020)
- Geodesic measurements of the deformations of buildings and structures (over 11k vs 6k in 2020)

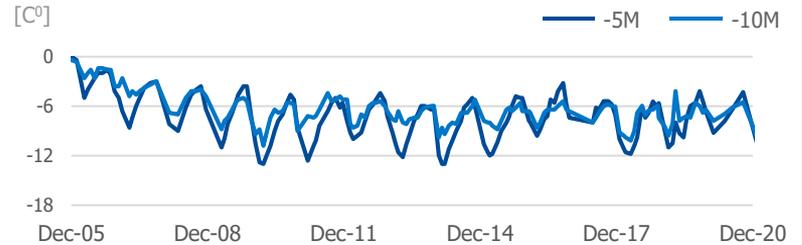
Nornickel is making a comprehensive, long-term effort in monitoring assets to assess the impact of permafrost thawing in the Norilsk region



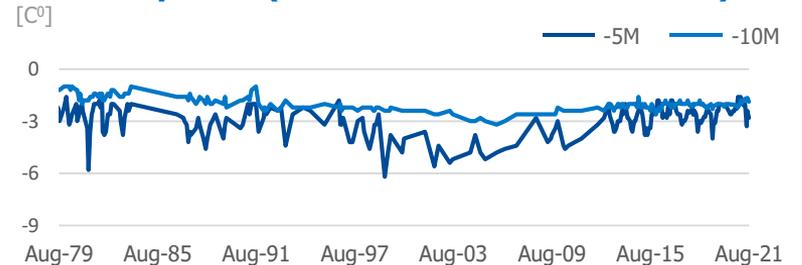
Physical Risks: Geotechnical Monitoring of Permafrost Temperature in Norilsk – Historical Evidence

- The monitoring of permafrost at a variety of depths in number of temperature boreholes has been carried out systematically in Norilsk Industrial district
- Currently, there are approximately 1,100 boreholes in use at various sites in Norilsk area
- Up until now, the monitoring has been carried out manually
- Selected observations at two sites:
 Lebyazhye tailings facility (since 2005)
 and Gas rescue service (since 1979):
 - ✓ Lebyazhye tailings facility (12 boreholes are in use): permafrost temperature has been trending down at the depth of -5m and -10m below the surface and fluctuating within -5° -10° range since 2008
 - ✓ Gas rescue service (13 boreholes in use): at -5m depth level permafrost temperature has been fluctuating within a -2° -6° range, whereas at -10m the temperature has been fairly stable at around -2° -3°

Permafrost Temperature at the Pumping Station #3 at Lebyazhye Tailings Dam



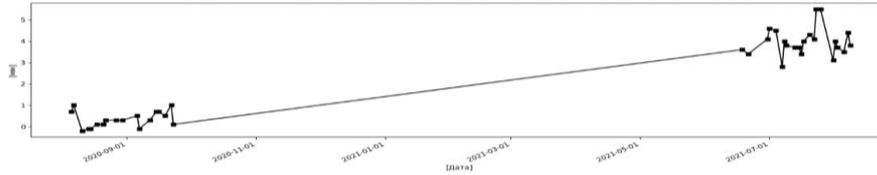
Permafrost Temperature at Gas Rescue Service at Valkovskiy Road (Connects Norilsk and Talnakh)



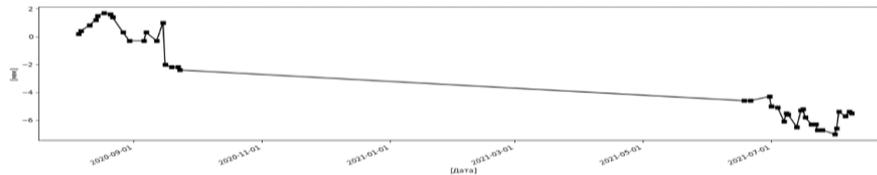
Physical Risks: Satellite Monitoring of Norilsk Area –the First Evidence

Satellite Radar Monitoring of Vertical Displacements of the Earth's Surface and Infrastructure Facilities

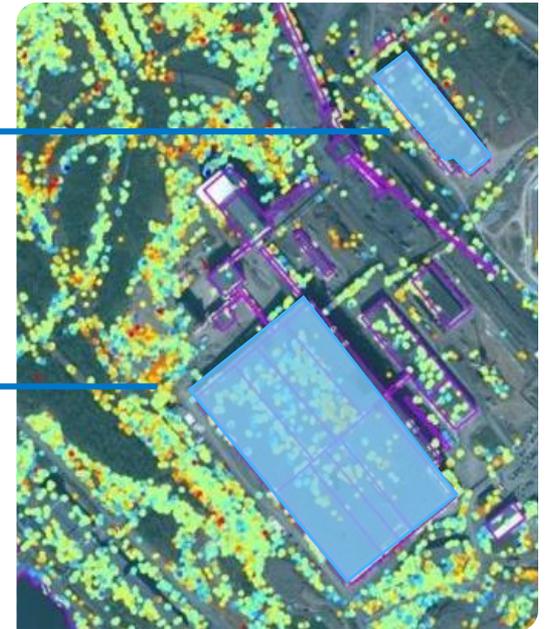
- Displacements speed: -3.9942 mm/pa, displacement in 2020 -0.1mm, in 2021 -0.2 mm



- Displacements speed: -6.5852 mm/pa, displacement in 2020 -2.4mm, in 2021 -0.9 mm



Map of Vertical (W-E) Displacements (Norilsk region)



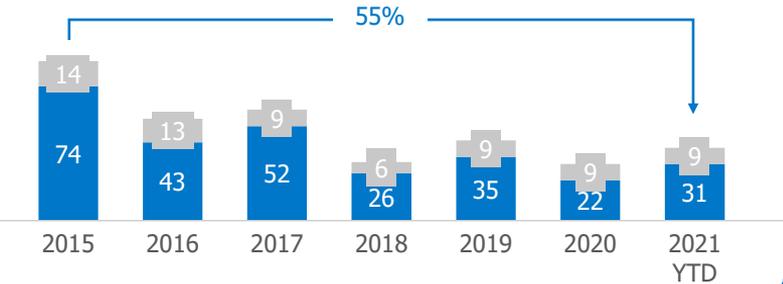
In general, most of the site area, including infrastructure facilities, covered by satellite monitoring since 2020 has proven to be stable with the values of the displacements recorded over 2020-2021 being fairly minimal and within the error margins

Health and Safety Update

Number of Fatal Accidents Unchanged in 2021 Due to the Incident at Norilsk Concentrator

[Employees]

■ Lost time injury
■ Fatal



Over 90% of major and fatal accidents occurred: While performing the following types of work...

- Mining operations and were caused by a fall of rock or collision with a mine transport
- Maintenance and repairs, when working at height or with electrical equipment/infrastructure without proper isolation, doing hoisting operations or operating moving/rotating equipment

...or because of unsatisfactory technical condition of:

- Buildings and structures, overpasses and service areas

- Regrettably, there were 9 fatal accidents in 2021, including the group accident at Norilsk Concentrator with 3 casualties
- All accidents have been thoroughly investigated and reported to the Board, action plans to tackle causes of each incident prepared
- Zero tolerance towards fatal incidents and violation of cardinal safety rules reiterated
- A comprehensive review of industrial safety requirements and standards is scheduled for 2022

Reduction of Fatal Accidents is the Main Focus for 2022 - 2025

Key Health and Safety Initiatives



Mining operations

- Setting up a management expert group with the sole purpose to assess and raise safety standards in mining operations
- Enhance safety culture: improve management commitment and staff involvement in industrial safety activities (safety culture sessions, training of line management to develop safety competency)
- Strengthen risk-based approach to work activities
- Improve collision avoidance system for mining transport
- Use of modern training facilities, including underground polygon, simulators for operators of LHD machines, drillers and roof bolters
- Expand dispatching and digitalization of operations



Maintenance and repairs

- Rollout intelligent video analytics and positioning system
- Provide modern training sites to develop safe practical skills when working at height
- Renovate staircases, technological platforms and in-shop flyovers



Social: Investing into Local Communities and Charity

~ **\$500** mln

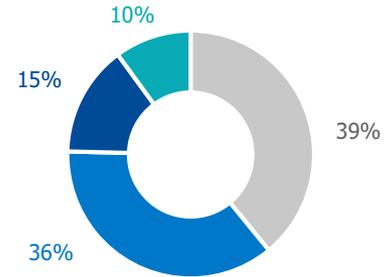
total spending in 2020 on social infrastructure development, charity and sponsorship programmes

~ **3%** of revenue

one of the Russian industry highest ratios of social expenses/revenue

Breakup of Charity Expenditures in 2020

- Public initiatives
- Sport (infrastructure and other)
- Other (region, culture, education)
- COVID-19



Ayka Sports and Recreation Center Launched in Norilsk in 2020



Source: Company data

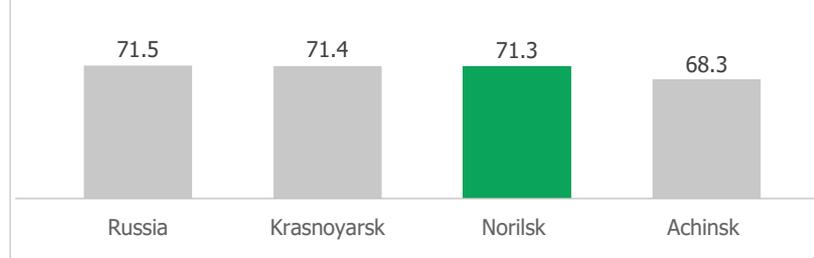
Supporting Local Communities



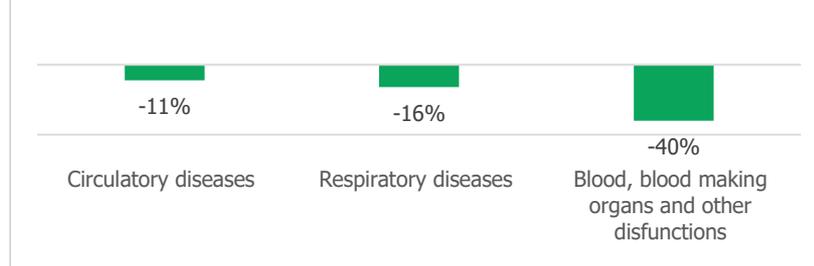
Social: Impact on Local Communities

Average Life Expectancy at Birth in 2020 ⁽¹⁾

years



Reduction of Newly Identified Deceases per '000 in Norilsk since 2016



- Health impact on local communities is monitored on a regular basis by the government's agency in charge of monitoring health of the population, Rospotrebnadzor, as the healthcare system in the regions of operations is mainly state-owned
- Since the closure of the Nickel Plant in Norilsk in 2016, SO₂ emissions within city limits reduced by 30-35%
- Since the closure of the Nickel plant in 2016 Rospotrebnadzor registered by 2019 a material reduction in newly identified deceases

Sources: Rosstat, Rospotrebnadzor

Note: 1. Population of Russia – 146,7m, city of Norilsk – 183k, city of Krasnoyarsk – 1,1m, city of Achinsk – 106k

Social: Reducing Negative Impact on Local Communities, Improving Local Healthcare



Reducing Impact on Local Communities

- RUB10 bn (circa USD140m) until 2025 will be invested into Corporate Healthcare Project in two regions of operations: Norilsk Industrial District and Kola Peninsula
- The main goal is to provide high-quality and affordable medical care to employees and their families



Launch of the Corporate Healthcare Centre

- Private healthcare to complement the state run healthcare system in the regions of operations



Construction and Upgrade of Medical Infrastructure

- Phase 1 – modernisation and upgrade of existing 40 corporate healthcare facilities and 26 medical examination rooms located on sites of Norilsk Division and another 15 in Kola Division
- Phase 2 – construction of new healthcare centres in the regions of operations: 6 new facilities to be built in Norilsk, Dudinka and Monchegorsk by 2024
- First centre in Norilsk to launch in December 2021



Social: Major Renovation Programme for the City of Norilsk until 2035



Norilsk Social & Economic Development Program

- Social & economic development program for Norilsk city until 2035 is being prepared
- ₸120 bn until 2035 four-party agreement with the federal and regional governments on the renovation of the city of Norilsk housing and social infrastructure signed, of which ₸81 bn will be contributed by Norinickel



Social Infrastructure Development

- Construction and overhaul of social infrastructure facilities (clinics, kindergartens, a sports centre, Arctic Museum of Modern Art, tourism infrastructure and etc.)
- Landscaping (urban redevelopment of public spaces, improvement of areas adjacent to city parks and recreation centres)

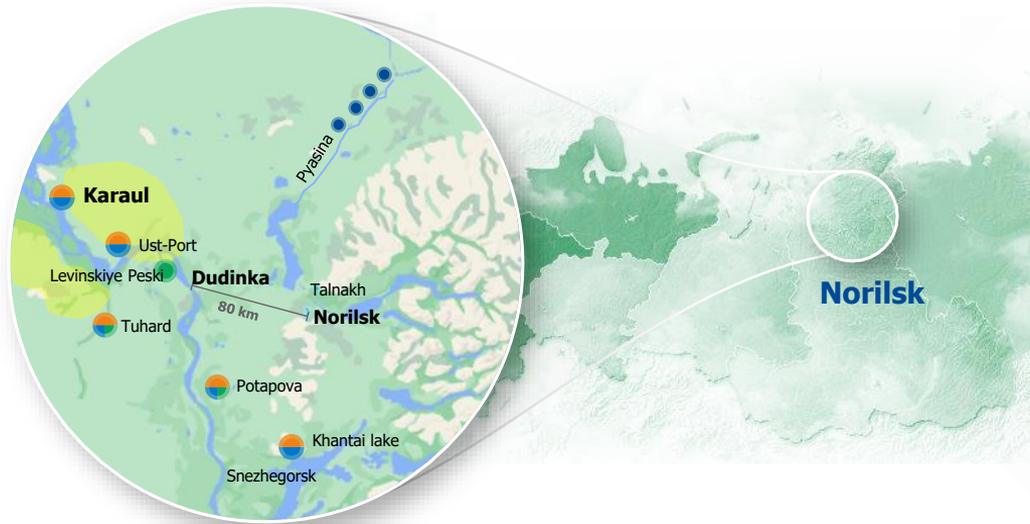


Infrastructure Upgrade

- Utilities upgrade (thermal stabilisation of soils under residential buildings and social facilities, reconstruction of the sewage system, heating mains)
- Revamping the city transport infrastructure
- Developing digital technologies (Norilsk Smart City project)



Habitat of Indigenous People in Taymir Peninsula: Far from Operating Sites



- There are approximately 20k of indigenous people living in the Taymir Peninsula comprised primarily by 5 nations: nents, ents, nganasans, evenks and dolgans
- No traditional activities of indigenous peoples are carried out in the proximity to Norilsk's mining or metallurgical operations
- The closest to Norilsk traditional fishing areas are located on the lake Pyasino, outside of Norilsk Industrial Area sanitary zone, whereas the nearest reindeer husbandry is located over 80km away
- Indigenous peoples/their traditional activities reside in the proximity of some of the Company's auxiliary operations, like gas infrastructure

Traditional economic activities:

- Fishing
- Reindeer pastures areas
- Reindeer husbandry
- Locations of traditional activities

Source: Company data

Social: Support of Indigenous People

- Norinickel has historically supported local indigenous communities via various social programs, provided transportation services, materials and equipment, helped to preserve the unique cultural heritage and supported social enterprises
- In 2020, a new €2 bn (circa \$28 mln) 5-year program was announced to protect the original habitat and support traditional activities of the indigenous peoples
- The program is entirely based on the proposals received from the Taimyr indigenous peoples and comprises over 40 initiatives, aiming to support the traditional activities of the indigenous peoples (fishing and reindeer breeding), production of ethnical clothes and souvenirs, develop infrastructure of local settlements, construction of new houses, community and healthcare centers, research of fishing potential and transfer of fishing quotas

Progress in 2021:

- **Implementation of the 5-year program:** construction materials, transports and financial support to prepare for the hunting and fishing winter season was provided, exploration of pastures for the development of reindeer herding started
- **Organizational changes:** a dedicated department at Norilsk Division and Indigenous Communities Coordination Council affiliated with the Head of Norilsk Division have been created in order to coordinate the implementation of the 5-year program
- **Additional support:** Additional [support](#) for indigenous peoples of the Taimyr was provided, a new [grant program was launched](#)
- **Pioneering FPIC:** A free, prior and informed consent ([FPIC](#)) [procedure](#) for the indigenous peoples of the North was launched to discuss resettlement at the town of Tukhard
- **Cooperation with Sami people:** [an agreement on partnership and collaboration](#) have been signed between Norinickel and the Kola Sami Association



Case Study: Obtaining a Free Prior Consent from Indigenous People for a Resettlement Project in Tukhard Settlement



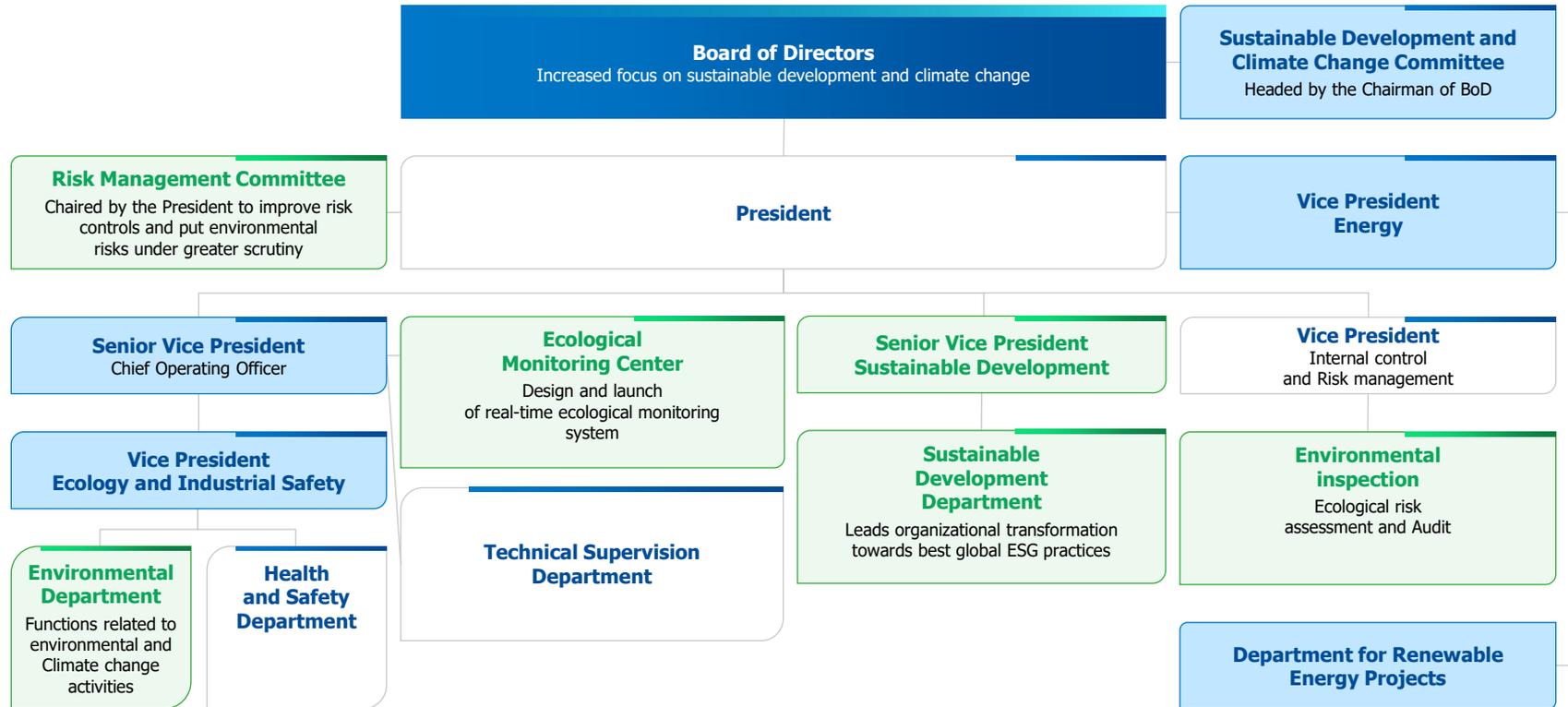
- Tukhard settlement, located more than 150 km to the west of Norilsk was founded as a rotation camp in the 1970s for the construction workers of natural gas producer NorilskGazprom, a Nor Nickel subsidiary, next to a Nenets settlement
- The settlement was designed as a temporary accommodation
- Permanent residence in such settlements has afterwards been prohibited by the Russian legislation

- The free, prior and informed consent procedure is a UN-developed standard guaranteeing the right of indigenous peoples to determine their own political, social, economic and cultural priorities
- Resettlement of Tukhard is the first FPIC procedure in the Russian metals & mining industry offered to the indigenous peoples
- Several options have been proposed, including a relocation to new homes in New Tukhard, a new town just 1.5 km away from the old one, or to new homes in other Taimyr settlements and Dudinka; with a new location to be chosen by the local residents themselves
- An Advisory Council has been created by the Crossregional Public Organisation for Protection of Indigenous Peoples' Rights, KMNSOYUZ, which also includes UN experts and independent international consultants – leading experts in the protection of indigenous rights, to oversee the FPIC procedure
- Subject to the residents' consent, the construction of the infrastructure, homes or purchase of new apartments is scheduled for completion by 2026

Source: Company data

Note: Please read more <https://www.nornickel.com/news-and-media/press-releases-and-news/nornickel-discussed-construction-of-new-homes-with-indigenous-residents-of-arctic-settlement/type=news>

Corporate Governance: Adjusting Organizational Structure to Respond to New Challenges



Adjusting Sustainable Development KPIs for the Management

40%

of team annual KPIs are linked to ESG performance from 2021 onwards



Team Annual KPIs



Long-term KPIs (pending approval ⁽¹⁾)

Area	Health and Safety	Environment	Environment & Climate Change
Weight	<p>20%</p>	<p>20%</p>	<p>30%</p>
Target	Reduction of TRI (total recordable injuries) by 20% vs the minimum of 2013-2020	Zero environmental incidents	Environmental strategy targets, including reduction of SO ₂ emissions Absolute Scope 1+2 GHG emissions from operations to remain below 10 Mt CO ₂ e

Source: Company data.

Note: 1. Long-term KPIs have been prepared by the management and are pending due corporate approvals

Strengthening the Reputation as a Responsible Supplier

Nornickel is Progressing Well with Global Responsibility Certifications and Standards.
Carbon neutral nickel – certified low carbon product
for stainless steel producers and EV industry (batteries)

✓ Completed

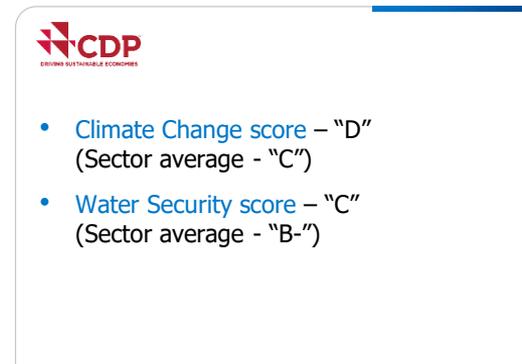
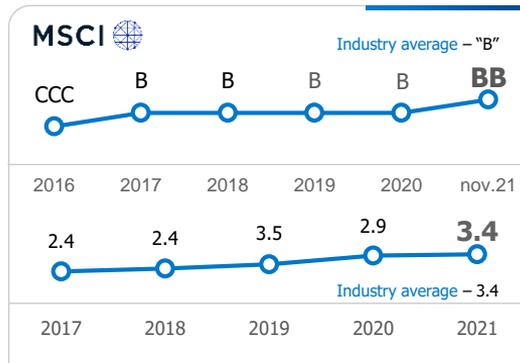
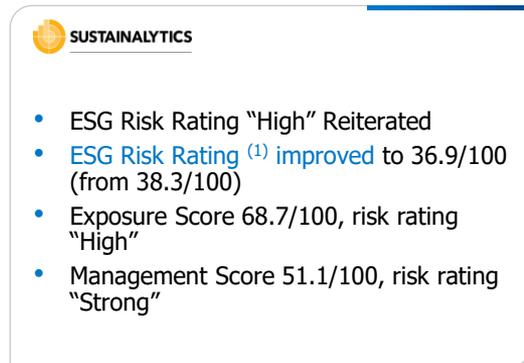
✓ In-progress

Initiatives	Current Status
Global Certification	
ECOVADIS (ESG Rating)	✓
IRMA (Initiative for Responsible Mining Assurance)	✓
TFS (Together for Sustainability)	✓
Responsible Sourcing Blockchain Network	✓
Responsible Minerals Initiative (Co, Ni, ESG)	✓
Proprietary Certification	
Global certification of carbon savings (by EY auditors, independent assurance of methodology by Sphera Solutions GmbH)	✓
Carbon Neutral Nickel (used in stainless steel)	✓
International Sustainability Standards	
ICMM (The International Council on Mining and Metals)	✓
Extraction Industry Transparency Initiative	✓
Global Industry Standard on Tailings Management	✓

Source: Company data

Note: 1. Responsible steel is the steel industry's global multi-stakeholder standard and certification initiative for steelmakers, but not a special steel brand which can be traded

ESG Ratings – on Par or Above Global Mining Industry Averages



Source: Company and public data as of November 2021, Notes: 1. The lower the better
 Learn more on Norilsk Nickel ESG assessment: <https://www.nornickel.com/sustainability/esg-highlights/assessment/>

Selected International Sustainable Development Initiatives

ecovadis

Business Sustainability Ratings

- ESG rating 48/100 as of April'21 (vs.33/100 as of September'20)
- Industry average ESG score 41/100



- Compliance with GRI (global reporting initiatives) and RSPP public verification procedure
- First social responsibility report in 2003



- Signatory to UN Global Compact since 2016



- Joined the Initiative for Responsible Mining Assurance as a Pending member in March 2021



- Joined Responsible sourcing block chain network in December 2020
- Joined Re|Source in August 2021



- Nickel institute – member since 2005
- International Platinum group metals association – member since 1999
- Global Battery Alliance – member since 2021

Advancing Sustainable Development Agenda

2021

- Prepare sustainable development strategies at the divisional level and decompose Group strategic KPIs to management levels
- Prepare for the approval of the Board of Directors a set of 12 new ESG policies, including Human rights, Responsible Sourcing, Tailings Management, position statements on Water and Biodiversity as well as Supplier Code of Conduct
- Receive independent verification of the methodology for the calculation of the carbon footprint of the Company's key metals
- Launch forest disclosure to CDP
- Prepare TCFD roadmap
- Development of decarbonization initiatives

2022

- Prepare and review "green financing" opportunities
- Support of EITI
- Roll-out of matrix-based ESG governance system
- Improvement of internal procedures, systems and risk management in accordance with ICMM, IRMA and Global tailing standard principles
- Scenario analysis of climate-related physical and transition risks
- Integration of climate-related risks into corporate risk management system
- Progress with applications to IRMA
- RMI Certification for Polar Division

2023

- Issue a Climate change report
- Compliance with Global Tailings Standards
- Resubmission to ICMM
- Launch of Sulphur Programme 2.0 project at Nadezhda smelter to capture furnace gases

TCFD Compliance Roadmap – Highlights

Selected initiatives

- New Sustainable Development and Climate Change Board Committee was set up
- Environmental and Climate Change Strategy was approved by the Board, setting 18 targets until 2030
- TCFD compliance roadmap was approved

Objectives

- Conduct a regular review of climate-related issues at the Board and management level
- Prepare a science-based scenario analysis of physical and transition risks
- Prepare climate-related risks registry
- Prepare transition and adaptation plan
- Integration of long-term climate-related risks into corporate risk management system
- Prepare a set of TCFD-aligned metrics

Objectives

- Improve climate-related disclosure in sustainability report
- Release a standalone climate change report
- Improve climate-related risks disclosure in financial reporting

2020-2021

2022

2023



Thank you
for your
attention!

