

Supplier engagement



Nornickel purchases over 40 aggregated procurement categories ranging from heavy industrial equipment to food.

The procurement procedures are set out in the Regulations on the Product Procurement Procedure for Nornickel Group Entities and in the local procurement regulations of the Group's entities.

Nornickel's procurement process is certified to ISO 9001 and ISO 14001.

Cooperation with local manufacturers

One of the priority areas in supplier engagement is a focus on procurement from local manufacturers to provide social support for Nornickel's operating

regions. As a result, the volume of materials and services procured from local entities in 2024 increased as follows:

in the Krasnoyarsk Territory

by 88% year-on-year

in the Murmansk Region

by 108.6% year-on-year

in the Trans-Baikal Territory

by 188.2% year-on-year

Engagement with local producers to support the sale of agricultural products helps create new jobs, modernise and strengthen the infrastructures of traditional sectors of the economy, and organise high-quality storage, processing, and distribution of products. This has a positive impact on the economic well-being of indigenous peoples of the North and encourages their pursuit of self-development and self-sufficiency. Such engagement provides a comprehensive approach to addressing sustainable development challenges across the region as a whole.

SAP 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.

To raise market awareness and attract new suppliers, in 2024, SAP SRM was integrated with one of the top federal electronic trading platforms (as ranked by RAEX), which complies with the highest Russian and international standards for security and fault tolerance.



One of the Company's communication channels for [supplier engagement](#) is the Suppliers section on its website, which provides key information on procurement principles and procedures, planned procurement requirements, and announcements and invitations to participate in tenders.



In 2024, entities at the Trans-Baikal Division and the Polar Division's Norilsk site launched Telegram channels to promptly notify suppliers about upcoming procurements. These channels provide updates on the entities' needs for various materials and services.

Supply agreements to include the responsible supply chain requirements

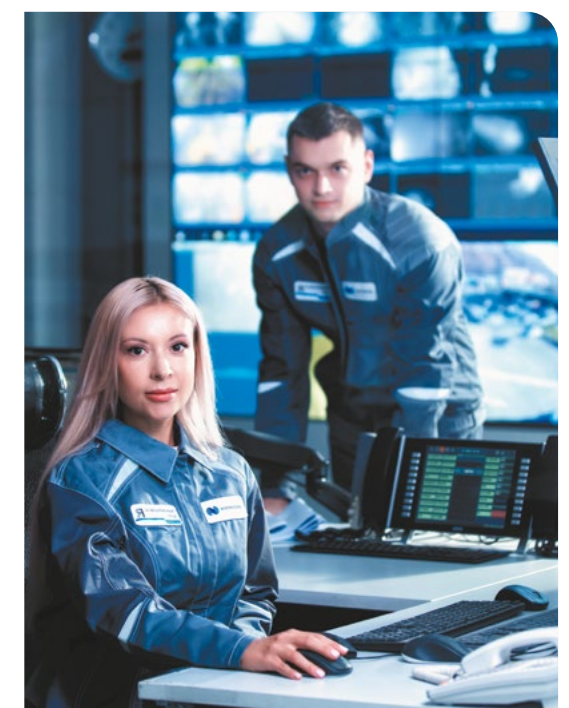
Nornickel expects its counterparties to comply with the sustainable development requirements that the Group itself adheres to. Standard forms of agreements and contracts, as well as the General Contracting Terms and Conditions, were amended to include a clause requiring compliance with the Company's sustainability requirements listed in the Code. This clause also informs suppliers about the opportunity to report to Nornickel's Corporate Trust Line, which is the Company's principal grievance mechanism¹. In 2024, over 10 thousand agreements² were concluded using standard forms.

Nornickel's sustainable development requirements are set out in the Code and Policy and are covering the following:

- Human rights and labour relations;
- Environmental protection;
- Occupational health and safety;
- Anti-corruption.

To prevent corruption, supply agreements also include an anti-corruption clause to ensure that both parties are on the same page as regards zero tolerance for corruption. The clause establishes an obligation to promptly inform the other party of any potential corruption risks identified and relevant checks conducted as well as provides grounds for contract termination or other liability

if the counterparty violates the anti-corruption clause or is found to have engaged in unlawful activities.



Procurement automation

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

The SAP SRM platform is an efficient tool to handle centralised and decentralised procurement activities for the Group's entities.

For potential suppliers and partners, the platform offers access to online procurement information across 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.

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

¹ The Corporate Trust Line is described in more detail in the Corporate Trust Line subsection on [page 12](#).

² Agreements with suppliers of the Group's Russian assets.