

Approach to managing a responsible supply chain

Nornickel takes a responsible approach to working with both suppliers and customers, partnering only with those who comply with applicable laws and regulations, ensure safe working conditions for their employees, and meet the Company's environmental requirements.

Responsible supply chain management enables Nornickel to promote the sustainability agenda among its suppliers, encourage their compliance with the respective corporate standards set out in the Code and Policy, manage associated risks, and increase the level of mutual trust.

The Group relies on a systemic approach to responsible supply chain management, which includes the following

Monitoring of industry requirements and practices for a responsible supply chain – looking into national requirements and international initiatives, potential risks and opportunities associated with them, and stakeholder expectations

Supply chain analysis – monitoring supplier activities and assessing their compliance with the Company's requirements set out in the Code and Policy

Responsible supply chain disclosure – publishing the findings following supplier due diligence and sustainability assessment

Development of corporate documents and systems – regulating responsible supply chain management and assessing suppliers for compliance with the requirements of the Company and a number of standards along with Russian and global best practices

Supplier engagement – managing a dialogue with suppliers, including through due diligence, assessment against sustainability criteria, development of action plans, and training on sustainability and responsible supply chain principles

Environmental impact is assessed throughout the life cycle of procured products: production, transportation, storage, use, and disposal. Nornickel requires its contractors to have a functioning environmental management system in place and

ensure that all goods and services supplied comply with the requirements of applicable environmental laws.

Given the potential negative environmental impact of cargo in transit, the master agreement with the Company's suppliers sets requirements for cargo packaging. Goods to be shipped must meet the cargo standards and requirements of GOST 26653-2015 Preparation of general cargoes for transportation and GOST 15846-2002 Production for transportation to the areas of the Far North and similar regions.

Packaging, labelling, transportation, and storage. Mandatory requirements are established for the transport containers and product packaging that should ensure cargo integrity during multiple transshipments and transportation to the Far North.

Corporate responsible supply chain documents

In 2021, the Board of Directors approved the corporate documents describing the key principles of responsible supply chain management:

- [PJSC MMC Norilsk Nickel's Responsible Sourcing Policy](#), setting out Nornickel's approach to environmental, social, and corporate governance aspects throughout its supply chain;
- [PJSC MMC Norilsk Nickel's Supplier Code of Conduct](#), outlining the Company's approach to ensuring that its suppliers adhere to ethical sustainability principles.

The Policy is aimed at ensuring that suppliers meet the Company's sustainability criteria. It sets out Nornickel's responsible supply chain management principles applicable to both the Group and its suppliers.

The Code outlines the requirements and expectations for suppliers to conduct their activities in line with the Company's sustainability principles. As part of responsible supply chain management, Nornickel conducts supplier due diligence and assesses their compliance with the requirements of the Code. If a supplier fails to fully meet certain Code requirements, Nornickel identifies risks in the supply chain¹. If the level of risk is not reduced following corrective actions, the relationship with the supplier may be reconsidered.

The Policy and the Code were communicated to stakeholders and published in Russian and English on the Company website.



¹ For a detailed description of risks, please see Subsection 1.2 ([Identification and Assessment of Mineral Supply Chain Risks](#)).