

Procurement and responsible supply chain

Management approach

Nornickel takes a responsible approach to working with suppliers and consumers, making sure that its partners comply with applicable laws and regulations, ensure safe working conditions, and are passionate about caring for the environment. The Company expects its counterparties to comply with international and Russian best practices in sustainability and environmental stewardship.

The following key documents guide supply chain and procurement management at Nornickel:

- [Supplier Code of Conduct](#)
- [Responsible Sourcing Policy](#)
- Internal corporate procurement standards
- [Business Ethics Code](#)
- [Human Rights Policy](#).

To mitigate operational and financial risks and costs as well as improve supply reliability and cadence, the Company applies procurement policies.

As of the end of 2024, there were 50 category procurement policies in place, four of which were updated

during the year. In the reporting year, the Company also approved a programme to improve procurement efficiency aimed at:

- optimising the costs of inventory, works, and services (zero inflation)
- meeting working capital targets in terms of inventory reduction
- increasing supplier competition
- increasing transparency and strengthening control of procurement procedures.



Procurement

Nornickel engages with suppliers via open tender procedures. Nornickel’s procurement system focuses on timely and fully meeting the Company’s needs for required materials and services of specified quality and at an acceptable price.

Procurement process

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

The Company procures over 40 aggregated purchasing categories, from heavy industrial equipment to food. In doing so, Nornickel provides equal competitive opportunities for large, medium, and small businesses alike, guided by generally accepted standards of fair competition and the principles of avoiding conflicts of interest. To maximise procurement effectiveness and transparency, the Company’s procurement activities are mostly centralised at its Head Office through automated systems and electronic trading platforms.

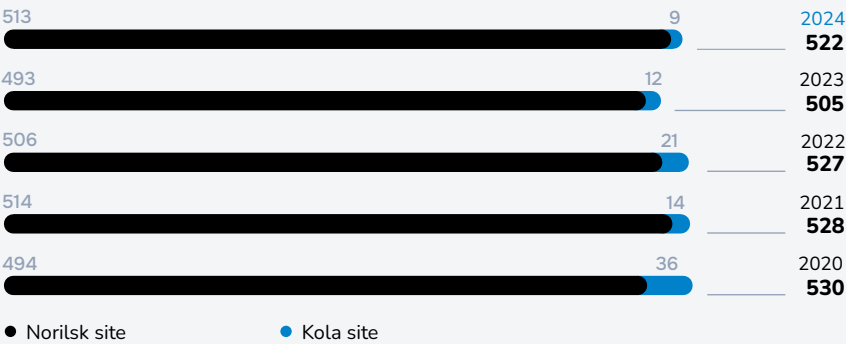
Depending on the budgeted cost, procurement can follow a tendering, simple, or simplified procedure. Based on the materiality and parameters of purchases, the qualification results and the winning bidder in the procurement process are approved by the collective procurement body composed of representatives from various functions of Nornickel. The contract with the winning bidder is signed in accordance with the approved results of the procurement procedure. All of the Group’s centralised procurement transactions are detailed on the Company website.

In 2024, procurement by collective bodies of the Head Office (tender committee, tender commissions) totalled about RUB 94 billion.

As the Company aims to work with reliable suppliers meeting their obligations regarding delivery dates and the quantity and quality of products supplied, during the procurement procedure, all suppliers undergo mandatory qualification screening against formalised criteria and rules.

Nornickel gives preference to local suppliers to provide social support to its operating regions. Along with saving jobs, this policy supports unique enterprises whose continuous operation is essential to both the well-being of their employees and the wider social fabric of local communities.

Supplier companies in centralised procurement



Nornickel has in place the Corporate Trust Line that can be used by any stakeholder to report any violations.

Supplier engagement

Efficient and convenient communications with suppliers at Nornickel, are enabled through its SRM procurement management system that gives suppliers anytime access to information about the Company’s procurement procedures. In 2024, 1,632 suppliers were added to Nornickel’s SRM system, with more than 13.7 thousand suppliers accredited in total as at year-end. The Company also engages with original equipment manufacturers (OEMs) to accredit them on this e-platform.

Sign-up for Nornickel’s SRM system is free of charge and does not impose any obligations on users.

One of the channels used by the Company to interact with suppliers is the Suppliers section on its website, containing key information on the procurement principles and procedures, planned needs as well as announcements and invitations to participate in tenders.

Nornickel procurement specialists are active members of the professional community in their respective purchasing categories, attending industry exhibitions and participating in conferences.

The Company’s priority in driving supplier engagement is to provide robust feedback mechanisms, which are also implemented, improved, and enhanced in the supplier’s personal account in

SRM. Designed for communicating with counterparties during contract execution, the system is continuously improved to optimise and boost performance for all users. Suppliers can get updates on Nornickel’s procurement procedures and opportunities by communicating online with procurement teams in all product categories in Nornickel’s SRM procurement management system.

In their personal accounts, counterparties can manage the documents generated for contract purposes, track work stages, and exchange files and instant messages with contract managers to request clarifications and accelerate communication. The service helps to keep suppliers better informed about contract execution progress while also ensuring transparency of transactions and significantly

If a counterparty faces difficulties signing up or using the system, they can seek help and advice

- via e-mail suppliers@nornik.ru
- or by phone at:
+7 495 783 0045, ext. 6 (for calls within Moscow);
8 800 700 5911, ext. 6 (toll-free federal number).

speeding up daily communication between the parties. All supply terms and conditions are specified in the contracts or agreements signed with suppliers.

The supplier’s personal account also enables sign-up for other services, such as electronic document

management, factoring, and dynamic discounting, forging a stronger partnership.

Nornickel is also working on expanding and supplementing the list of services and consolidating them in the personal account to develop relationships with counterparties.

In addition, the Company has implemented and is operating an electronic document management solution for suppliers to speed up mutual settlements and add transparency to the process.

ESG factors in the supply chain



Nornickel seeks to create a common information space and set of values with its suppliers. The Company employs a proprietary multi-tier system to evaluate its suppliers. The criteria for review, evaluation, and re-evaluation of external suppliers have been developed, inter alia, in line with the requirements of ISO 9001:2015 Quality management systems. Nornickel is particularly focused on building relationships with suppliers whose equipment is unique and critical for the stable operation of the Company’s production facilities.

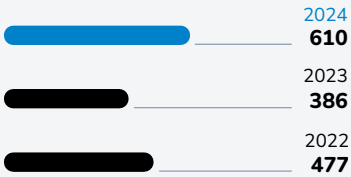
The Company’s Responsible Sourcing Policy in place sets out Nornickel’s approach to promoting ESG throughout the supply chain. The purpose of the Policy is to define the approach to supplier communication on sustainability matters and declare standards and principles to be followed by the Company and its suppliers.

In addition to the Policy, the Company has in place a Supplier Code of Conduct which encourages the Company and its business partners to embed sustainability into supplier relationship management, thus building a responsible supply chain in accordance with Nornickel’s ESG requirements.

Provisions of the Policy and the Code are incorporated into supplier contracts: standard forms of agreements and General Contracting

Terms and Conditions were amended to include a clause with a requirement to comply with the Company’s sustainability requirements listed in the Code. This clause also informs suppliers on the opportunity to report to Nornickel’s Corporate Trust Line, which is the Company’s principal grievance mechanism.

Employees trained on responsible supply chain (PEOPLE)



Nornickel’s employees in charge of ensuring compliance with the responsible supply chain procedures regularly attend in-depth trainings on responsible sourcing. In the reporting period, more than 600 people were trained in building a responsible supply chain, with the total number of training hours exceeding 1.8 thousand. In 2025, the Company plans to engage a broader range of participants in its responsible supply chain training. The Company has developed a due diligence management system (DDMS) for metallic mineral supply chains and rolled it out in stages. To date, the system has covered all production assets. The DDMS is focused on identifying potential risks affecting the sustainability of business processes in the mineral supply chain while also minimising risks relating to human rights, money laundering, fraud, corruption, and misinformation about minerals. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain provided a methodological framework for developing the DDMS.

- The DDMS is driven by the following requirements and recommendations:**
- [Responsible Sourcing Policy](#) and [Supplier Code of Conduct](#)
 - LME’s responsible sourcing requirements
 - Standards and principles of industry-leading sustainability initiatives: JDDS¹, RCI², RMI³, IRMA⁴, ICMM⁵, and CCCMC⁶
 - Requirements of the Company’s customers.

In 2024, the Company conducted due diligence covering 100% of mineral suppliers⁷ at the Norilsk and Kola sites, identifying no supply chain risks.

The Company performs an annual assessment of sustainability practices of its suppliers providing goods, works, and services, based on a range of criteria. The assessment is conducted through a questionnaire survey and includes verifying the compliance of sustainability practices with the Code requirements. The Company uses the results to identify areas of improvement in supplier activities related to responsible supply chain management.

The supplier self-assessment questionnaire (SSAQ) is divided into E, S, and G sections. In 2024, based on the results of a pilot survey conducted in 2023, and in line with recommendations from regulators, expectations of rating providers, and stakeholder requests, the Company revised the SSAQ.

In the reporting period, Nornickel more than doubled the supplier survey sample, covering about 35% of all purchases by the Group’s Russian entities (vs 14% in 2023). According to the SSAQ survey findings, the average level of suppliers’ compliance with the requirements is 48%. Most of the suppliers surveyed during the reporting period are privately held companies, and therefore the regulatory requirements and stakeholder expectations regarding their non-financial reporting are lower compared to public companies. However, despite the absence of mandatory requirements, the survey results indicate a sufficient level of maturity in the suppliers’ sustainability practices, taking into account their non-public status.

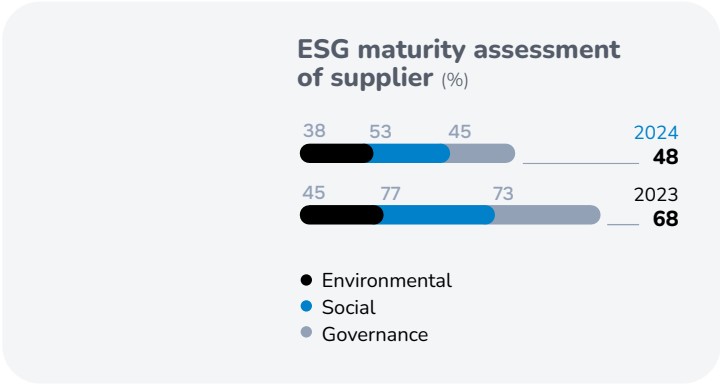
In 2025, the Company plans to continue its project to assess the sustainability performance of suppliers of goods, works, and services for compliance with Nornickel’s Supplier Code of Conduct.

The results of the 2023 and 2024 surveys are not fully comparable, as the composition of the supplier sample changes from year to year. In addition, the 2024 sample size more than doubled, and both the Questionnaire and the assessment methodology were updated, which influenced trends in certain metrics. As part of the survey exercise, Nornickel pays particular attention to raising suppliers’ awareness of sustainability and responsible supply chain, including by holding training sessions, clarifying the Company’s requirements and details of mineral supply chain due diligence procedures and the sustainability survey for suppliers of goods, works, and services, and providing support to suppliers during due diligence and survey.

Since 2023, the Company has been providing annual disclosures detailing its performance and plans around responsible supply chain management in the [Responsible Supply Chain Report](#).

Given the risk of potential negative environmental impact of cargo in transit, the Company’s master agreement sets explicit 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.

Environmental impact is assessed throughout the life cycle of procured products: production, transportation, storage, use, and disposal. Nornickel requires its counterparties to have a functioning environmental management system in place and to ensure that all services and products delivered by them comply with local environmental laws.



¹ Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel, and Zinc.
² Responsible Cobalt Initiative.
³ Responsible Minerals Initiative.
⁴ Initiative for Responsible Mining Assurance.
⁵ International Council on Mining and Metals.
⁶ China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters.
⁷ Mineral suppliers include suppliers of mined minerals (primary processed material that has never been previously refined) and suppliers providing minerals transportation, processing, and loading/unloading services. “Minerals” are minerals containing nickel, cobalt, and copper.