



Moscow — April 29, 2021 — MMC Norilsk Nickel, the world's largest refined nickel and palladium producer, has released the results of its sustainability efforts in 2020.

Nornickel has retained leadership in the global metals and mining industry in terms of industrial health and safety. The injury rate has fallen to a record level. The Lost Time Injury Frequency Rate (LTIFR) reduced further to 0.21 per 1,000,000 man-hours in 2020 from 0.32 in 2019. The total number of occupational accidents decreased 32% year-on-year.

Zero injuries remains one of the Company's top strategic goals, with a performance on injuries being among key performance indicators (KPIs) with a 20% weight set for the management remuneration. The Company employs strict industrial safety rules, with 17 corporate standards having been developed to mitigate safety-related risks. Since 2014, an annual independent assessment of Nornickel's safety culture has been carried out by an independent consultant. The overall safety culture score is assigned based on the Bradley Curve. Over the past seven years, the Company's assessment has improved from 1.4 to 3.0 points (on a 1-4 points scale, where 4 indicates strong safety culture).

The Company has maintained social support for its employees at a high standard, first and foremost, having avoided redundancies during the pandemic of COVID-19. Moreover, the average monthly salary in 2020 increased by almost 11% y-o-y to over RUB 131,000, remaining one of the highest in the industry in Russia. The share of employees covered by collective bargaining agreements increased to 93.7% in 2020 (versus 83% in 2019).

Nornickel has significantly upgraded its risk management system, including climate change risks, improved the organisational structure and introduced more stringent environmental KPIs for the management. In particular, annual KPIs for 2021 have been revised to include zero environmental incidents, whereas long-term KPIs are currently being designed to include improvements in environmental performance and reduction of the impact on climate change.

One of the most important achievements in sustainable development in 2020 was the preparation of a new comprehensive environmental strategy. Six key focus areas have been identified within the strategy covering various aspects of environmental protection, with selected targets set for 2030. For instance, as part of its climate change strategy, Nornickel intends to maintain greenhouse gas emissions (Scope 1 and 2) at the 2020 level in absolute terms of less than 10 mt of CO₂-equivalent while aiming to increase production volumes by 25–30%.

To implement this strategy, Nornickel is planning capex of over USD 5.5 bn, of which USD 3.6 bn is earmarked for the implementation of an unprecedented Sulphur Programme 2.0, which targets a 95% reduction in sulphur dioxide emissions by 2030. At the moment, the Company has defined goals for each of the six focus areas, which should be developed in further detail in 2021.

Overall, in 2020, Nornickel had a significant progress in reducing the intensity of its environmental impact. The intensity of pollutant emissions decreased by 20.7% from 2019, while the intensity of greenhouse gas emissions reduced by 23.3%. In terms of carbon dioxide emissions per ton of nickel equivalent, the Company is in the bottom quartile of the global nickel industry and plans to maintain its leadership position in the long-term. Nornickel's indirect CO₂ emissions (Scope 3) are also among the lowest in the industry. In addition, energy and water consumption by the Company reduced significantly, by 22.4% and 14%, respectively, from 2019. The share of power generated from renewable sources has reached 46%, one of the highest rates in the global metallurgical industry.

Providing comprehensive support to the regions of operations is one of the Nornickel's key priorities. In 2020, the Company became the leader among Russian industrial companies in terms of total spending to tackle the COVID-19 outbreak. A total of RUB 12 bn was allocated in 2020 to fight the pandemic and support social stability, with another RUB 8 bn planned for 2021. A number of initiatives were developed to support small- and medium-size businesses in the regions of the Company's operations. In 2020, Nornickel spent in total over RUB 47 bn on various social programmes, charity and social infrastructure, a third more than in 2019.

In addition, Nornickel traditionally pays special attention to the support of indigenous people, residing the areas, neighboring the Company's operating sites. In 2020, almost RUB 94 mln was allocated to the indigenous people as a support and compensation for environmental damage caused by the diesel fuel spill incident in Norilsk. Furthermore, in close cooperation with leading associations representing the indigenous peoples of Taimyr peninsula (where the Company's largest operating division, Norilsk division, is located), a comprehensive five-year program aiming for the support of indigenous peoples has been signed with a total budget of over RUB 2 bn.

Nornickel's sustainable development efforts continued to be recognised by international experts and leading ESG rating agencies. For instance, EcoVadis raised the Company's ESG rating to 48 points in 2021 from 33 (out of 100) in 2020. As part of their assessment, improvements at Nornickel have been noted in all major areas, including environmental protection, human and workers' rights. The Company's ESG rating by Sustainalytics has remained by and large unchanged at the global industry average level of 61 points (out of 100). The Company's S&P Corporate Sustainability Assessment has also improved to 44 points (out of 100) from 33 points previously. In 2020, Nornickel provided its first ever disclosures to CDP receiving scores D ("Climate Change") and C ("Water Security").

Nornickel was named one of the Most Honoured metal & mining companies by Institutional Investor in its 2020 Emerging EMEA Executive Team ranking. The Company rated the Top-3, including ESG category. Nornickel was ranked in the Top-20 in the national ranking of employers by the Headhunter portal, and recognised as the best employer in the metals and mining industry by students, graduates and international rating experts according to Universum and Randstad Award.

Vladimir Potanin, Nornickel's President, commented on the Company's sustainability efforts in 2020:

"The challenges we faced in 2020 confirmed our strategic adherence to the principles and goals of sustainable development, in particular, the principles of the UN Global Compact. We managed to pursue our employees' health and safety as a priority amid the COVID-19 pandemic and effectively adapt our business processes to the new reality. A quick and well coordinated response to the unprecedented fuel spill in Norilsk helped to prevent a major environmental disaster in the Arctic. The Company has learned its lessons, improved its risk management system and set new goals to mitigate its environmental impact."

More details about the Nornickel's sustainable performance can be found in [the Company's annual sustainability report for 2020](#), available on its internet site. In addition, [a special white paper](#) covering its industrial incidents has been published. The paper describes the causes of the incidents, measures taken to eliminate the consequences, rehabilitation efforts, as well as subsequent organizational changes aimed at preventing similar incidents in the future.

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ABOUT THE COMPANY

PJSC "MMC "Norilsk Nickel" is a diversified mining and metallurgical company, the world's largest producer of palladium and high-grade nickel and a major producer of platinum and copper. The Company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium, sulphur and other products.

The production units of Norilsk Nickel Group are located at the Norilsk Industrial District, on the Kola Peninsula and Zabaykalsky Krai in Russia as well as in Finland and South Africa.

PJSC "MMC "Norilsk Nickel" shares are listed on the Moscow and on the Saint-Petersburg Stock Exchanges, ADRs are traded over the counter in the US and on the London, Berlin and Frankfurt Stock Exchanges.

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