

# KEY RISKS

Nornickel's risks are all inherent to its strategic and operational development and business continuity goals. Key risks have a varying degree of impact on Nornickel's ability to achieve its goals.<sup>1</sup>

## Price risk

Potential decrease in sales revenues due to lower prices for Nornickel metals is subject to actual or potential changes in demand and supply in certain metals markets, global macroeconomic trends, and the financial community's appetite for speculative/investment transactions in the commodity markets.



Impact on goals:  
**high**



Source of risk:  
**external**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Lower demand for metals produced by Nornickel.</p> <p>A slowdown in the global economy in general and in the economies consuming Nornickel metals in particular.</p> <p>Supply and demand imbalance in metals markets.</p>	<p>Enhancing Nornickel's leadership in the nickel and palladium markets</p>	<p>Nornickel is consciously accepting the existing price risk for now. To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>continuously monitors and forecasts supply and demand dynamics for key metals</li> <li>secures feedstock supplies for key consumers through long-term contracts to supply metals in fixed volumes</li> <li>as a member of the Nickel Institute and the International Platinum Group Metals Association, works with other nickel and PGM producers to maintain and expand the demand for these metals.</li> </ul> <p>Should the price risk materialise, Nornickel will consider cutting capital expenditures (revising the investment programme for projects that do not have a material impact on Nornickel's development strategy).</p>

<sup>1</sup> In 2022, the Company may face sanctions restrictions on the supply of products, materials and equipment, technology, and licenses, restrictions on cross-border road transit for vehicles and on financial transactions, as well as voluntary restrictions by business partners.

# Market risk

Lower competitiveness of Nornickel products in the market may result in their lower liquidity, discounts to the market price and a decrease in Nornickel's income.



Impact on goals:  
**high**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Stricter market requirements on product quality and ESG compliance.</p> <p>Competition from producers of cheaper nickel.</p> <p>More aggressive transport decarbonisation programmes.</p> <p>Changes in consumption patterns for high-tech products.</p> <p>Foreign regulators imposing new foreign trade restrictions that impact Nornickel's activities (tariff and non-tariff regulatory measures).</p>	<p>Enhancing Nornickel's leadership in the nickel and palladium markets</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• monitors and analyses changes in market demands for product quality and ESG compliance</li> <li>• promotes global industrial and investment demand for its metals</li> <li>• monitors the development of transport electrification</li> <li>• searches for new applications and uses for palladium</li> <li>• diversifies its metal product sales across industries and geographies</li> <li>• improves and diversifies its product range</li> <li>• cooperates with industry institutions to maintain access to relevant sales markets for its metals</li> <li>• cooperates with Russian ministries and agencies to prevent/mitigate negative impacts of local or international regulation</li> <li>• implements an ESG road map</li> <li>• seeks partnership opportunities with key producers of lithium-ion batteries for electric vehicles</li> <li>• maintains strategic partnerships with car makers based on guarantees of long-term palladium supplies.</li> </ul>

# Tighter environmental regulations

Stricter environmental requirements, administrative sanctions, and governmental control over environmental compliance.



Impact on goals:  
**medium**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Domestic and international focus on environmental protection and sustainability.</p> <p>Extensive changes in environmental laws and regulations.</p> <p>Changes in the regulation and tighter standards for emissions from stationary sources and wastewater discharges into water bodies; changes in the waste permitting framework and waste management regulation.</p> <p>Amendments to the Code of Administrative Offences of the Russian Federation: liability for non-compliance with instructions of state authorities within prescribed time limits, repeat offenses, violations of requirements for preventing and responding to oil and petroleum product spills, non-compliance with requirements for equipping stationary sources of emissions and discharges with automated meters.</p> <p>Stricter procedure for decommissioning hazardous facilities and waste storage facilities, especially regarding the development and expert review of an environmental pollution prevention and response plan.</p> <p>An experiment to use emission allowances run across 12 Russian cities (Federal Law No. 195-FZ dated 26 July 2019), including Norilsk and Krasnoyarsk in 2020–2024.</p>	<p>Compliance by Nornickel and Norilsk Nickel Group corporate entities with the applicable laws, regulatory requirements, corporate standards, and business codes</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• has developed and is implementing a corporate Environmental and Climate Change Strategy</li> <li>• manages environmental risks</li> <li>• implements environmental measures and environmental performance improvement programmes</li> <li>• carries out operational environmental control</li> <li>• provides for its participation in working groups on developing and amending environmental laws</li> <li>• monitors draft laws and regulations</li> <li>• conducts legal reviews of draft laws and regulations to analyse their potential implications for the Company's operations</li> <li>• brings forward draft laws and regulations and proposals to introduce such draft laws and regulations or amend existing ones.</li> </ul>

# FX risk

US dollar depreciation against the rouble, including due to changes in the Russian economy and the monetary policy of the Bank of Russia, may adversely affect Nornickel's financial performance, as most of its revenues are denominated in US dollars, while most of its operating and investment expenses are denominated in Russian roubles.



Impact on goals:  
**low**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Increase in Russia's balance of payments, relatively lower imports and positive economic impact from import substitution or export growth, and steadily growing oil exchange prices.</p> <p>Country-specific macroeconomic changes, supported by sovereign credit rating upgrade in particular.</p> <p>Higher appeal of the rouble to non-resident investors on the back of the relevant monetary policy of the Bank of Russia.</p> <p>Lower volatility in financial markets and Russia's stable geopolitical environment, as well as lower volatility across other emerging markets (particularly partner countries in regional and sectoral agreements), making the rouble more attractive to investors and stronger against the US dollar.</p>	<p>Maintaining investment-grade credit ratings.</p> <p>A debt portfolio with a well-balanced profile in terms of maturity, currency composition, and sources of financing.</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• maintains a balanced debt portfolio with USD-denominated borrowings prevailing</li> <li>• implements regulations that limit pricing by contractors for expenditure contracts with prices fixed in foreign currencies</li> <li>• uses derivatives to mitigate its exposure by balancing USD-denominated cash flows from revenues and cash flows from liabilities denominated in currencies other than the US dollar</li> <li>• regularly monitors and analyses open foreign currency positions, operational and transactional currency positions, and evaluates its exposure to the FX risk</li> <li>• where necessary to mitigate its exposure to unfavourable changes in FX rates across open currency positions, uses derivatives that balance the invariably USD-denominated cash flows from revenues and cash flows from liabilities denominated in currencies other than the US dollar.</li> </ul>

# Investment risk

Risk related to time and budget overruns, and performance targets of Nornickel's major investment projects.



Impact on goals:  
**medium**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Changes in forecasts of ore volumes, grades and properties resulting from follow-up exploration.</p> <p>Changes in investment project timelines (including due to the pandemic).</p> <p>Further changes to budgets of investment projects.</p> <p>Amendments to project performance targets in the course of implementation.</p>	<p>Strategic goal: growth driven by Tier 1 assets.</p> <p>Developing the mining, concentration and metallurgical assets.</p> <p>Developing the mineral resource base and upgrading core production processes at Nornickel's Tier 1 assets.</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• carries out proactive exploration and updates performance targets and the mining plan (a long-term production plan) based on the progress of its major investment projects developing the mineral resource base</li> <li>• conducts resource, geomechanical and hydrogeological modelling</li> <li>• holds external expert audits of geological data</li> <li>• develops an in-house geological and mining information system</li> <li>• models mining options in geological and mining information systems</li> <li>• as part of the project assurance process, conducts internal (cross-functional) audits of major investment projects at each stage in their life cycle</li> <li>• improves incentives to drive project delivery and build skills and capabilities (including staff certification, identification of improvement areas, and provision of tailored training)</li> <li>• improves project delivery standards, develops tools to digitise technical document management and project controls</li> <li>• promotes the use of pilot units across all technically challenging and unique processing stages.</li> </ul>

# Work-related injury risk

Failure to comply with Nornickel's health and safety (H&S) rules may result in threats to health and life or temporary suspension of operations, or cause property damage.



Impact on goals:  
**high**



Source of risk:  
**internal**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Suboptimal methods of work organisation.</p> <p>Disruptions in technological processes.</p> <p>Exposure to hazards.</p>	<p>Health and safety</p>	<p>Pursuant to the Occupational Health and Safety Policy approved by the Board of Directors, Nornickel:</p> <ul style="list-style-type: none"> <li>• continuously monitors compliance with H&amp;S requirements</li> <li>• improves the working conditions for its employees and contractors deployed at Nornickel's production facilities, including by implementing new technologies and labour-saving solutions, and enhancing industrial safety at production facilities</li> <li>• provides employees with certified state-of-the-art personal protective equipment</li> <li>• improves the system of stationary gas analysers, provides employees with portable gas analysers</li> <li>• carries out preventive and therapeutic interventions and enforces hygiene protocols to reduce the potential impact of work-related hazards</li> <li>• regularly trains and briefs employees on health and safety, assesses their health and safety performance and conducts corporate workshops, including by deploying special simulator units</li> <li>• enhances methodological support for H&amp;S functions, including through the development and implementation of corporate standards</li> <li>• improves the risk assessment and management framework across Group enterprises as part of the Risk Control project</li> <li>• reviews the competencies of line managers across Nornickel enterprises, develops H&amp;S training programmes, and arranges relevant trainings</li> <li>• holds H&amp;S competitions</li> <li>• communicates the circumstances and causes of accidents to all Nornickel employees, conducts ad-hoc safety briefings</li> <li>• introduces frameworks to manage technical, technological, organisational, and HR changes.</li> </ul>

# Risk of epidemics

Risk related to the spread of infectious diseases and the subsequent preventive, safety, and response measures.



Impact on goals:  
**medium**



Source of risk:  
**external**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Spread of viral infections.</p> <p>Anti-epidemic restrictive measures imposed by federal and regional authorities.</p>	<p>Social responsibility: comfort and safety of people living in Nornickel's regions of operation.</p> <p>Efficient delivery of finished products (metals) in line with the production programme.</p> <p>Timely supply of products to consumers.</p>	<p>Nornickel has implemented a range of measures to mitigate the risk impact, including:</p> <ul style="list-style-type: none"> <li>• 100% of salaries maintained, with additional compensation for employees working on sites and in offices</li> <li>• work from home for office employees</li> <li>• personal protective equipment, tests, medical devices, sanitiser products, etc. provided to all sites</li> <li>• purchases of medicines and medical equipment (including one automated immunoassay analyser, 940 air sanitisers, 489 non-contact thermometers, and over 324 thousand COVID-19 tests)</li> <li>• assistance in expanding local hospital capacity</li> <li>• support for SMEs</li> <li>• support for local volunteers who help employees requiring regular health monitoring</li> <li>• arrangements for mandatory COVID-19 testing</li> <li>• increased shifts for shift workers in Chita and Norilsk</li> <li>• raising awareness of the need to get vaccinated among employees, providing a fully paid (average daily wage) extra day off after each vaccination (including booster) against the novel coronavirus (COVID-19).</li> </ul>

# Information security risks

Potential cybercrimes may result in an unauthorised transfer, modification or destruction of data assets, disruption or reduced efficiency of Nornickel's IT services, business, technological, and production processes.



Impact on goals:  
**high**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Growing external threats.</p> <p>Unfair competition.</p> <p>Rapid development of Nornickel's IT infrastructure and automation of technological and business processes.</p> <p>Unlawful acts by employees and/or third parties.</p> <p>Shift to work from home and hiring remote employees outside Nornickel's regions of operation.</p>	<p>Mitigation of the information security risk and risk of cyberattacks on Nornickel's information systems and automated process control systems</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>ensures compliance with applicable Russian laws and regulations with respect to the protection of personal data, insider information, trade secrets and critical information infrastructure</li> <li>implements MMC Norilsk Nickel's information Security Policy</li> <li>categorises data assets and makes information security risk assessments</li> <li>embeds and monitors compliance with corporate information security standards within information systems and automated process control systems</li> <li>raises information security awareness among employees</li> <li>uses technical means to ensure information security of assets and manage access to data assets</li> <li>ensures information security of the automated process control systems</li> <li>monitors threats to information security and the use of technical protection means, including vulnerability analysis, penetration testing, cryptographic protection of communication channels, controlled access to removable media, protection from confidential data leaks, and mobile device management</li> <li>develops an information security framework</li> <li>sets up and certifies the Company's information security management system</li> <li>implements measures to ensure safe remote access.</li> </ul>



# Technical and production risk

Technical, production, or natural phenomena which, once materialised, could have a negative impact on the implementation of the production programme and cause equipment breakdown or result in the need to compensate damage to third parties and the environment.

Impact on goals:  
**medium**

Source of risk:  
**mixed**

Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Harsh natural and climatic conditions, including low temperatures, storm winds, and snow load.</p> <p>Unscheduled stoppages of core equipment caused by fixed assets' wear and tear.</p> <p>Release of explosive gases and flooding of mines.</p> <p>Collapse of buildings or structures.</p> <p>Infrastructure breakdowns.</p>	<p>Efficient delivery of finished products (metals) in line with the production programme</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>ensures proper and safe operation of its assets in line with the requirements of technical documentation, as well as technical rules and regulations as prescribed by local laws across Nornickel's geographic footprint</li> <li>develops ranking criteria and criticality assessment for the Norilsk Nickel Group's key industrial assets</li> <li>implements an automated system for managing reliability, efficiency, and production asset risks</li> <li>ensures timely replacement of fixed assets to consistently achieve production safety targets</li> <li>regularly monitors the condition of Nornickel's buildings and structures via an information system for conducting geotechnical surveys</li> <li>uses satellite technology to monitor Nornickel's assets and further analyse the data</li> <li>implements automated systems to control equipment process flows, uses state-of-the-art engineering controls</li> <li>improves the maintenance and repair system</li> <li>trains and educates its employees both locally, on site, and centrally, through its corporate training centres</li> <li>systematically identifies, assesses and monitors technical and production risks, implements a programme of organisational and technical measures to mitigate relevant risks</li> <li>continuously monitors the industrial asset management system</li> <li>ensures risk review by collective bodies at all management levels of the Company</li> <li>develops the technical and production risk management system, including by engaging independent experts to assess the system's performance and completeness of risk data</li> <li>develops and tests business continuity plans which set out a sequence of actions to be taken by Nornickel's personnel and internal contractors in case of technical and production risk causing maximum damage (these plans are aimed at the earliest resumption of Nornickel's production operations)</li> <li>engages, on an annual basis, independent surveyors to analyse Nornickel's exposure to disruptions in the production chain and make assessments of related risks</li> <li>assesses physical climate-related risks.</li> </ul> <p>In 2021, insurance was taken out against key technical and production risks as part of the property and business interruption (downtime) insurance programme, with emphasis on best risk management practices in the mining and metals industry.</p>

# Power outages

Failure of core equipment at generating facilities and transmission grid facilities may result in power, heat or water shortages at key production and social facilities in the Norilsk Industrial District.



Impact on goals:  
**medium**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Isolation of the Norilsk Industrial District's power grid from the national grid (Unified Energy System of Russia).</p> <p>Harsh natural and climatic conditions, including low temperatures, storm winds and snow load.</p> <p>Length of power, heat and gas transmission lines.</p> <p>Wear and tear of core production equipment and grid infrastructures.</p>	<p>Efficient delivery of finished products (metals) in line with the production programme.</p> <p>Timely supply of products to consumers.</p> <p>Social responsibility: comfort and safety of people living in Nornickel's regions of operation.</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>operates and maintains generating and mining assets as required by the technical documentation, industry rules and standards, and applicable laws</li> <li>monitors the technical condition of linear facilities, including with the involvement of external experts</li> <li>ensures timely construction and launch of transformer facilities, as well as timely replacement of transmission towers</li> <li>ensures timely retrofits (equipment replacement) of CHPP and HPP power units</li> <li>ensures timely upgrades and repairs of trunk gas and condensate pipelines and gas distribution networks.</li> </ul>

# Compliance risk

The risk of legal liability and/or legal sanctions, significant financial losses, suspension of production, revocation/suspension of a licence, loss of reputation, or other adverse effects arising from Nornickel's non-compliance with the applicable laws, regulations, instructions, rules, standards, or codes of conduct.

Impact on goals: **medium**
 Source of risk: **mixed**
 Year-on-year change in risk: **stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Discrepancies in rules and regulations.</p> <p>Considerable powers and a high degree of discretion exercised by supervision agencies.</p>	<p>Compliance by Nornickel and its subsidiaries with the applicable laws, regulations, corporate standards, and business codes</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>ensures its compliance with the applicable laws</li> <li>defends its interests during regulatory inspections and administrative proceedings</li> <li>uses trial and post-trial remedies to defend its interests</li> <li>ensures that agreements signed by Nornickel contain clauses safeguarding its interests</li> <li>implements anti-corruption, anti-money laundering, counter terrorist financing, and counter proliferation financing initiatives</li> <li>takes actions to prevent unlawful use of insider information and market manipulation</li> <li>ensures timely and reliable information disclosures as required by the applicable Russian and international laws</li> <li>has its employees take insider information management and anti-corruption training courses</li> <li>ensures that all employees receive anti-corruption induction briefing</li> <li>ensures that the Corporate Trust Line receives and handles reports of corruption, fraud, embezzlement, or other wrongdoing, either planned or committed</li> <li>ensures evaluation of anti-corruption controls at the Norilsk Nickel Group.</li> </ul> <p>In addition, the following internal documents have been developed (updated) and approved:</p> <ul style="list-style-type: none"> <li>Business Process Outsourcing Guidelines</li> <li>MMC Norilsk Nickel's List of Insider Information (new version)</li> <li>MMC Norilsk Nickel's Internal Control Rules for Preventing, Detecting and Stopping the Unlawful Use of Insider Information and/or Market Manipulation (new version)</li> <li>MMC Norilsk Nickel's Guidelines for Identifying, Analysing, Assessing, and Monitoring the Regulatory Risk in Combating the Unlawful Use of Insider Information and Market Manipulation</li> <li>Procedure for Informing Members of Governance Bodies and the Audit Commission of MMC Norilsk Nickel on Quiet Periods Under Russian Laws and amendments to the Procedure for Informing Managers of MMC Norilsk Nickel on Quiet Periods Under EU Laws and Disclosing Transactions of Such Persons and Persons Closely Related to Them</li> <li>Regulations on the Procedure for Keeping the List of Insiders of MMC Norilsk Nickel (updated)</li> <li>Procedure Rules for Interaction Between Units of MMC Norilsk Nickel and Russian Business Units of Norilsk Nickel Group when Disclosing/Providing Information in the Securities Market (updated)</li> </ul>

# Social risk

Tensions may escalate among the workforce due to the deterioration of social and economic conditions in Nor Nickel's regions of operation.



Impact on goals:  
**medium**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nor Nickel's development goal and strategy	Mitigation
<p>Headcount/staff composition optimisation projects.</p> <p>Rejection of Nor Nickel's values by individual employees and/or third parties.</p> <p>Limited ability to perform annual wage indexation.</p> <p>Dissemination of false and inaccurate information about Nor Nickel's plans and operations among the Group's employees.</p> <p>Reallocation of funds originally intended for social programmes and charity.</p>	<p>Social responsibility:</p> <p>Partnering with regional and local authorities to develop a social infrastructure that supports a safe and comfortable living environment for local communities</p> <p>Facilitating the employees' professional and cultural development and building up talent pools across Nor Nickel's regions of operation</p> <p>Implementing long-term charity programmes and projects</p>	<p>To manage this risk, Nor Nickel:</p> <ul style="list-style-type: none"> <li>strictly adheres to the terms and conditions of collective bargaining agreements between the Group companies and their employees (the Group has signed a total of 23 collective bargaining agreements)</li> <li>actively interacts with regional authorities, municipalities and civil society institutions</li> <li>fulfils its social obligations under public-private partnership agreements</li> <li>implements corporate social responsibility programmes and the World of New Opportunities charity programme aimed at supporting and promoting regional civil initiatives, including by indigenous peoples of Taimyr and the Plant of Goodness employee volunteering programme</li> <li>implements infrastructure projects to support the accelerated development of the service economy and improved living standards across Nor Nickel's regions of operation through the Norilsk Development Agency, the Second School centre for community initiatives in the Pechengsky District, and the Monchegorsk Development Agency</li> <li>implements regular sociological monitoring across its operations</li> <li>surveys Norilsk residents on living standards, employment, migration trends, and general social sentiment to identify major issues</li> <li>implements social projects and programmes aimed at supporting employees and their families, as well as Nor Nickel's former employees</li> <li>maintains dialogues with stakeholders and conducts questionnaire surveys when preparing the Group's public sustainability reports</li> <li>provides a range of social support measures to redundant staff under Kola MMC's social programmes and develops the Social and Economic Development Strategy of the Pechengsky District</li> </ul>

# Changes in legislation and law-enforcement practices

Changes in legislation may cause financial damages (extra costs to ensure compliance with stricter requirements, a heavier tax and levy burden, etc.). Changes in law-enforcement and judicial practices, uncertain legal treatment of certain matters may hamper Nornickel's business, entail extra expenses, and delay or raise the cost of its investment projects.



Impact on goals:  
**medium**



Source of risk:  
**external**



Year-on-year change in risk:  
**stable**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
Unstable legal environment (including lack of codified/uniform regulations in various areas). Frequent changes to legislation. Complicated geopolitical situation. Lack of treasury funds (the government needs to boost its tax and other revenues).	Compliance by Nornickel and its subsidiaries with the applicable laws, regulations, corporate standards, and business codes	To manage this risk, Nornickel: <ul style="list-style-type: none"> <li>continuously monitors changes in legislation and law-enforcement practices across all of its business areas</li> <li>conducts legal review of draft laws and regulations as well as relevant amendments</li> <li>participates in discussions of draft laws and regulations, both publicly and as part of expert groups</li> <li>engages its employees in relevant professional and specialist training programmes, corporate workshops and conferences</li> <li>cooperates with government agencies to ensure that new laws and regulations take into account Nornickel's interests.</li> </ul>

# Risk of supply chain disruptions

Supply chain interruption/disruption within the existing transport and logistics system.



Impact on goals:  
**medium**



Source of risk:  
**mixed**



Year-on-year change in risk:  
**new**

Key risk factors	Impact on Nornickel's development goal and strategy	Mitigation
<p>Challenging natural and climatic conditions in the regions of operation.</p> <p>Limitations of the transport and logistics system.</p> <p>Growing inflation, FX rates, pricing pressure from suppliers, poor planning, spread of COVID-19, and other factors.</p> <p>Breach of contracts by contractors.</p>	<p>Efficient delivery of finished products in line with the production programme.</p> <p>Timely supply of products to consumers.</p>	<p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>actively engages Russian manufacturers to expand competition</li> <li>uses long-term agreements/contracts/price lists with fixed optimal prices for materials, equipment and spare parts on terms that are most beneficial for the Company</li> <li>drafts lists of critical manufacturers of equipment and materials, works to prevent supply disruptions, and monitors suppliers' performance</li> <li>implements its Logistics Infrastructure Development Programme.</li> </ul>