Nornickel's approach to climate change

Nornickel recognises and considers the risks associated with global climate change. The Company contributes to the implementation of the Paris Agreement's goals to hold the increase in the global average temperature to well below 2 °C and pursue efforts to limit the rise to 1.5 °C above pre-industrial levels by the end of the 21st century. As a signatory to the UN Global Compact, the Company fully supports the UN Sustainable Development Goals (SDGs), in particular SDG 13: Climate Action. In addition, Nornickel contributes to the achievement of national climate policy goals and objectives as set forth in the Climate Doctrine of the Russian Federation and the Strategy of Socio-Economic Development of the Russian Federation with a Low Level of Greenhouse Gas Emissions Until 2050.

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In practice, the Company puts the above commitments into action as follows:

- Pursues a strategy aimed at growing the production and sales of metals that are critical for the global transition to a green economy
- Implements an environmental and climate change strategy that enables it to maintain some of the lowest greenhouse gas emissions and one of the most competitive product carbon footprints among major global metals and mining companies
- Develops innovative technology solutions to reduce GHG emissions and implements climate change adaptation projects
- Establishes partnerships with research institutions and provides support for scientific research and development projects related to climate change
- Engages on climate change issues with a wide range of stakeholders, including expert communities, local communities, professional associations, and government authorities

Why climate change issues are important to the Company

Improving the reliability of facility operations

Global warming issues are of particular relevance to Nornickel, as the Company's core production and energy assets are located within the Arctic zone. According to the scientific community, the average surface temperatures in the Arctic are rising three to four times faster than the global average, posing additional operational risks. In the Company's view, the primary threat stems from permafrost thawing in the Arctic, which undermines the stability of building and structure foundations. To assess the impact of permafrost thawing processes, Nornickel has deployed a monitoring system. For more details, please see the Permafrost Monitoring sub-section.

Supporting global energy transition

A report by the Intergovernmental Panel on Climate Change (IPCC)[1] shows that achieving the Paris Agreement goal will require a drastic reduction in GHG emissions by 2050. The greatest potential for GHG emission reductions has been identified in the energy, transport, and construction sectors.

The International Energy Agency (IEA) has identified[2] the following metals and minerals as critical for the global energy transition.

1 IPCC, 2023: Climate Change 2023: Synthesis Report. Summary for Policymakers.
2 Mineral requirements for clean energy transitions – The Role of Critical Minerals in Clean Energy Transitions – Analysis – IEA

Nornickel already supplies four of the nine categories of critical green metals to the global market and is planning to develop a lithium deposit.

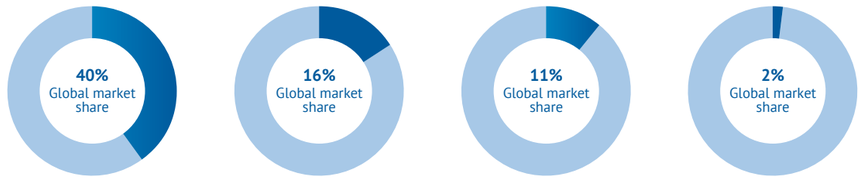
	Nornickel's metals								
	Copper	Nickel	Cobalt	PGMs	Lithium	REE	Chromium	Zinc	Aluminium
Solar power	●	●	●	●	●	●	●	●	●
Wind power	●	●	●	●	●	●	●	●	●
Hydropower	●	●	●	●	●	●	●	●	●
Concentrated solar power systems	●	●	●	●	●	●	●	●	●
Bioenergy	●	●	●	●	●	●	●	●	●
Geothermal power	●	●	●	●	●	●	●	●	●
Nuclear power	●	●	●	●	●	●	●	●	●
Power transmission lines	●	●	●	●	●	●	●	●	●
Electric vehicles and batteries	●	●	●	●	●	●	●	●	●
Hydrogen energy	●	●	●	●	●	●	●	●	●

Relative importance of metals and minerals for various clean energy technologies: High: ● Medium: ● Low: ●

PGMs – platinum group metals. REE – rare earth elements.

Position in the industry[1]

>300
customers
from across the globe



No. 1 palladium producer

No. 2 metal nickel producer

No. 4 platinum producer

No. 13 copper producer

In addition, Nornickel is expanding its portfolio of innovative products to support the low-carbon transition. The Company has established the Palladium Centre, which develops new palladium-based products for hydrogen and solar energy, aviation fuel, and electrified transport. In the long term, more than 100 new palladium-containing materials are planned to be brought to market.

The Battery Technology Centre was also established to develop nickel-containing cathode active materials (CAMs) – a key component in modern batteries. The first samples of cathode materials for NCM 811+ chemistry have already been produced, with plans for further product innovation in place. For more details, please see the Product Portfolio Diversification section.

[1] For palladium and platinum markets – in terms of refined metals production (including tolling arrangements), for the copper market – in terms of mining production (globally). For the nickel market – in terms of metal nickel production.