

Environmental and Climate Change Strategy

Nornickel's key climate-related targets are set out in its 2031 [Environmental and Climate Change Strategy](#).

The Strategy was first approved by the Board of Directors in 2021, with an updated version adopted in 2024. The main drivers behind the update were the tightening of Russia's environmental legislation and evolving geopolitical landscape. The revised Strategy includes extending the planning horizon; expanding the list of assets involved in implementation; adding 54 new initiatives; postponing or cancelling certain initiatives; and revising the targets for sulphur dioxide emissions reduction and land rehabilitation.

Another key change was the division of the Strategy into two parts: mandatory and voluntary. The mandatory part ensures compliance with Russian environmental legislation, helping the Company avoid regulatory penalties, and also ensures adherence to stock exchange requirements. The voluntary part covers greenhouse gas emissions reduction targets and alignment with international standards not linked to Russian environmental legislation.

Key amendments to the Environmental and Climate Change Strategy<sup>1</sup>

2021 version	2024 version
<ul style="list-style-type: none"><li>• 21 goals (16 quantitative metrics across 6 areas, and 5 focused on compliance with international standards)</li><li>• &gt;360 initiatives</li></ul>	<p>The updated Strategy is structured into mandatory and voluntary sections:</p> <ul style="list-style-type: none"><li>• The mandatory part includes nine targets across the following areas: prevention of emergencies, air, water, tailings and waste, soil, biodiversity, and stock exchange requirements</li><li>• The voluntary part comprises seven targets in the following areas: climate change, tailings and waste, and compliance with standards</li><li>• &gt;420 initiatives</li></ul>

Given the high degree of external uncertainty and the need to monitor both the economic and environmental impacts of individual measures, the Strategy is subject to annual review.

Strategy's targets in the Climate Change area

TCFD Mb, IFRS S2 29a, 29e, IFRS 33a, 33d, 33g

2021 version	2024 version	IFRS S2 29e	2020 baseline	2024 actual	2031 target
Indicators	Indicators				
1. Maintaining the amount of absolute Scope 1 and 2 GHG emissions from operations at around 10 mln t of CO <sub>2</sub> equivalent through 2030 while increasing production volumes	1. Scope 1 and 2 GHG emissions <sup>2</sup> , mln t of CO <sub>2</sub> equivalent		8.5	7.5	TBD
	2. Share of renewable energy use, %		46%	54%	

In addition, the Environmental and Climate Change Strategy sets compliance with TCFD recommendations, ICMM Principles, and the IRMA Standard for Responsible Mining as a formal objective.

<sup>1</sup> For more details on the focus areas and targets of the Environmental and Climate Change Strategy, please see the [Norilsk Nickel Group's 2024 Sustainability Report](#).  
<sup>2</sup> Excluding GHG emissions from electricity and heat supply to local communities and other consumers but including GHG emissions from the Sulphur Project at Nadezhda Metallurgical Plant. Until the Sulphur Project reaches its design capacity, a projected design amount of prospective emissions – the so-called "provision" – of 1.2 mln t of CO<sub>2</sub> equivalent is applied.

Nornickel's Key Focus Areas of Carbon Neutrality

IFRS S2 14a (v)

Alongside the updated Environmental and Climate Change Strategy, in 2024, the Company's Board of Directors also approved Nornickel's Key Focus Areas of Carbon Neutrality. This document sets out the priority areas for reducing the Nornickel Group's gross GHG emissions and lowering the carbon footprint of its products.

Key focus areas

Promotion of low-carbon energy sources	Implementation of climate projects	Use of energy-efficient technologies and equipment
Use of artificial intelligence	Conversion of vehicles to alternative fuels	Gangue mineralisation in tailings storage facilities

The approved focus areas of Nornickel's carbon neutrality pathway enable the Company to initiate the development and selection of the highest-impact projects within each area. In 2024, the Company started to develop and implement projects across the following focus areas:

- Promotion of low-carbon energy sources (implementation of a renewable-energy project in the Trans-Baikal Territory)

- Exploring the potential for the conversion of pit machinery to alternative fuels
- Studies on direct absorption of greenhouse gases by gangue in tailings storage facilities
- Implementation of climate projects
- Use of energy-efficient technologies and equipment

Climate change adaptation plan

TCFD Mc, IFRS S2 14a (ii)

To support the Company's strategic objectives in the areas of Climate Change and Compliance with International Standards, Nornickel has developed an action plan for 2024–2025. The plan covers activities in the areas of physical and transition risks, risk assessment methodology, climate-related reporting, and employee training on climate change. The tasks scheduled for 2024 have been successfully achieved.

Integrating climate change into the supply chain

The Company manages a responsible supply chain, which may potentially reduce indirect GHG emissions. The first step was the adoption of [PJSC MMC Norilsk Nickel's Supplier Code of Conduct](#), which sets out Nornickel's expectations for suppliers, including requirements to reduce GHG emissions. Since 2021, questions related to GHG emissions have been included in the scope of the mineral supplier due diligence process<sup>1</sup>, and since 2023 - in the scope of sustainable development practices assessment for goods, works and services suppliers.

<sup>1</sup> The Company's mineral suppliers include suppliers of mined minerals (primary processed material which has never been previously refined) and suppliers providing minerals transportation, their processing and loading/unloading services. "Minerals" are minerals containing nickel, cobalt, and copper.

Spending on our energy efficiency programme and other climate-related initiatives totalled

RUB 4.8 billion