UPDATE OF THE CORPORATE ENVIRONMENTAL AND CLIMATE CHANGE STRATEGY

2024

Key milestones

2020 Environmental and Climate Change Strategy drafted

2021 Environmental and Climate Change Strategy approved by the Board of Directors

2023 Updated Environmental and Climate Change Strategy (divided into mandatory and voluntary parts) approved by the Board of Directors

2024 Annual strategy update carried out in line with the directive of the President of Nornickel (the "Company")

Mandatory part of the Strategy

(compliance with environmental laws, regulatory requirements, and Company obligations)

Element	Proposed updated targets	Updated values		
		Baseline 2020	**Actual 2023**	**Targets 2031**
Emergencies	Number of interregional and federal emergencies affecting the environment in the regions of operation	1	0	**0**
Air	SO_2 emissions, kt	1,911[4]	1,671	**213**
	Reduction of SO_2 emissions, %[3]	0%	7%	**90%**
Water	Compliance with the Russian standards as regards pollutant concentration in discharges	–	59%	**100%**
	Compliance with fresh water withdrawal limits[7], %	100%	100%	**100%**
Tailings and waste	Compliance of waste disposal facilities with Russian regulations	95%	90%	**100%**
Land	Rehabilitation of disturbed territories in 2022–2031 (reclamation[1], reforestation[2], sanitation, landscaping, ha)	0	247	**3,996**
Biodiversity	Achievement of net zero biodiversity losses as a result of the Company's operations (Δ Integral Indicator of Ecosystem Health (IIEH))[5]	0.89	0 [6]	**≥ 0**
Stock exchange requirements	Compliance of Nornickel Harjavalta's suppliers with stock exchange requirements (London Metal Exchange, Shanghai Futures Exchange, etc.)	–	–	**100%**

1. Activities to prevent land degradation and/or to restore its fertility by making it fit for its initial purpose and permitted use, including inter alia by rectifying the implications of soil pollution, restoring fertile soil layer, and protective forest planting. 2. Reforestation in Trans-Baikal Division only. 3. Against the 2015 base year. 4. Baseline (2015) 5. Calculated as Δ IIEH = $IIEH_{rep}$ – $IIEH_{base}$, i.e. the difference in IIEH of the reporting year relative to the baseline year of the survey. 6. Baseline indicator of $IIEH_{base}$ of 2022. 7. Installation of metering devices as per the water use agreement.

Water
Compliance with the Russian standards as regards pollutant concentration in discharges

Construction completion and commissioning outcomes

7
treatment facilities in the Norilsk Industrial District constructed and launched since 2021

Over 6.5 mln m³/year
industrial wastewater treated in Norilsk's industrial zone

RUB 3 bn
total cost of projects

46
treatment facilities scheduled for reconstruction/repair and commissioning by 2031

Over 15
wastewater treatment projects currently at various stages of implementation (at Mayak, Komsomolsky, Oktyabrsky, Anhydride, Zapolyarny, Kayerkansky mines, Monchegorsk and other sites)

11
effluent discharge points to be eliminated by 2031

Waste

Compliance of waste disposal facilities (WDF) with Russian regulations

5 compliance assessment criteria

- ❑ Waste management licence in place
- ❑ WDF design documentation developed and approved following state environmental expert review (for facilities commissioned after 2008)
- ❑ WDF registered in the state waste disposal facility registry
- ❑ Sanitary buffer zone established around the WDF
- ❑ No outstanding orders issued by environmental authorities

In 2024, a 5.8 ha industrial waste landfill with a capacity of 26.8 ktpa was commissioned in Monchegorsk

Industrial Waste Dump No. 3, Norilsk. In November 2024, the environmental certificate of compliance for a capital construction facility was obtained, certifying adherence to approved design documentation that has passed the state environmental expert review

• Industrial Waste Dumps No. 1 and 2 (Polar Division) and the Lebyazhye tailing dam (Medvezhy Ruchey LLC) are subject to outstanding orders issued by environmental authorities

Biodiversity

Goal: no negative changes in ecosystem health relative to the baseline year, tracked through Δ IIEH

Goal 2031: Δ IIEH ≥ 0

Key projects:

- Conducting three-year scientific studies to establish baselines and identify and assess biodiversity impacts
- Transitioning from centralised Head Office-led research to continuous divisional-level monitoring
- Evaluating ecosystem services at sites of Polar and Energy Divisions
- Implementing divisional biodiversity conservation initiatives
- Ongoing support for specially protected natural areas across the regions of operation

Maintaining biodiversity indicators at current levels

Biodiversity conservation and monitoring in 2022–2031:

Annual monitoring assesses positive/negative changes via the delta (Δ) of the Integral Indicator of Ecosystem Health (IIEH)

Division	Initiative	**2022 Actual**	2023	2024	2025	2026	2027	2028	2029	2030	**2031 Goal**
Norilsk Division	Biodiversity monitoring	$IIEH_{base}$ = 0.826	Δ=0	Δ=0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ=+0.001	Δ=+0.005	**Δ=+0.01**
Kola MMC	Biodiversity monitoring	$IIEH_{base}$ = 0.93	Δ=0	Δ=0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ=+0.001	Δ=+0.005	**Δ=+0.01**
GRK Bystrinskoye	Biodiversity monitoring	$IIEH_{base}$ = 0.913	Δ=0	Δ=0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	**Δ≥0**
Energy Division	Biodiversity monitoring	$IIEH_{base}$ = 1	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	Δ≥0	**Δ≥0**

The baseline value is set as $IIEH_{base}$ for 2022. Each reporting year's actual value is calculated using the formula: $\Delta\ IIEH = IIEH_{rep} - IIEH_{base}$, i.e. the difference between the reporting year's IIEH and the baseline year's IIEH. An increase in biodiversity is anticipated due to the implementation of the Sulphur Project in Norilsk and the decommissioning of the smelter shop in Nickel. This recovery is expected as ecosystems self-restore following the elimination of the stress factor.

Mandatory part of the Strategy

204 measures, with a total indicative budget of RUB 248 bn for 2025–2031[1]

9 targets
204 measures
Mandatory part of the Environmental and Climate Change Strategy

Division's programme	Polar Division (Norilsk)	Energy Division	Polar Division (Kola MMC)	Trans-Baikal Division	Logistic Division
	9 goals	7 goals	9 goals	7 goals	7 goals
	80 measures	**37** measures	**43** measures	**7** measures	**37** measures
			Division-level measures		
Water	36 measures	24 measures	8 measures	2 measures	18 measures
Air	11 measures	1 measures	8 measures	3 measures	5 measures
Tailings and waste	9 measures	4 measures	9 measures	-	-
Land (reclamation, reforestation, and sanitation)	11 measures	7 measures	15 measures	1 measures	3 measures
Emergencies, permafrost	5 measures	-	-	–	9 measures
Biodiversity	8 initiatives	1 measures	3 measures	1 measure	2 measures
Indicative budget OPEX/CAPEX	RUB 23 bn / RUB 192 bn	RUB 1 bn / RUB 10 bn	RUB 5.8 bn / RUB 8.7 bn	RUB 0.5 bn / RUB 0.7 bn	RUB 6.6 bn

1. Including the Sulphur Programme in Polar Division (Norilsk) and IT projects across the divisions.

Voluntary part of the Strategy

(compliance with international standards, public image events, climate change)

Element	Proposed updated targets	Updated values		
		Baseline 2020	**Actual 2023**	**Targets 2031**
Climate change	Volume of GHG emissions (Scopes 1 and 2), mt of CO_2-eq.	8.5[1]	8.3[1]	
	Specific GHG emissions (of facilities involved in the manufacturing of finished metal products) per tonne of Ni-eq., tonnes of CO_2-eq.	4.06	4.26	**TBD[5]**
	Share of renewable energy use	46%[2]	55%[2]	
Tailings and waste	Share of non-mineral waste recycling, %	16%	6%[6]	**TBD[5]**
	Share of mineral waste (other than gypsum waste) recycling, %	20%	20%	
	Share of gypsum waste recycling[4], %	-	-	
Standards	Compliance with sustainability standards	Implementation of the Roadmap for Ensuring the Company's Compliance with International Sustainability Standards and the Roadmap for Climate Change Adaptation		

1. Baseline 2021, net of GHG emissions from supplying local communities and other electricity and heat consumers, including the Sulphur Programme and logistics. 2. The Company's ESG report. 3. London Metal Exchange. 4. The use of gypsum is being researched. The targets will be defined once the work streams and technologies have been identified. 5. The targets will be updated in 2024–2025. 6. The decrease in recycling rate is due to the inclusion of Energy Division in the Strategy and the fact that Norilsk Division is carrying out sanitation generating large amounts of construction waste that is being landfilled rather than recycled.

Climate change

Key initiatives

- ❑ **Copper Plant reconfiguration**
- ❑ **Natural mineralisation of waste rock at tailing dumps**
- ❑ **Energy efficiency activities**
- ❑ **Climate-related projects**
- ❑ **Higher share of renewable energy use**
- ❑ **Potential construction of a nuclear power plant in the Norilsk Industrial District**

CAPEX = RUB 72 bn OPEX = RUB 28 bn
Annual effect = 1.8 mt of CO_2-eq.

Nornickel reaffirms its commitment to reducing GHG emissions in its regions of operation and contributes to achieving the national goals of Russia's climate agenda

- **The target year for the Company's carbon neutrality is 2060** (in line with Russia's Carbon Neutrality Strategy)
- The goal is to maintain GHG emissions at no more than 10 mt of CO_2-eq. by 2031 (Environmental and Climate Change Strategy)
- Nornickel's GHG emissions report is submitted annually to the Russian Ministry of Economic Development with a view to adding relevant data to the national GHG emissions registry
- GHG emissions data for Nornickel Group and the product carbon footprint are verified annually by an international verifying organisation
- The progress of implementing key decarbonisation measures is reviewed by the Corporate Risk and Investment Committee

Russian laws and regulations: Federal Law No. 296-FZ On Limiting Greenhouse Gas Emissions dated 2 July 2021; annual reporting to the Ministry of Economic Development of Russia; Russia's Strategy for Socio-Economic Development with Low Greenhouse Gas Emissions until 2050; the Climate Doctrine of the Russian Federation

Risks

Financial risks	Investment risks	Physical risks
• Additional costs associated with national and cross-border carbon regulation • Reduced revenue due to the impact of energy transition on palladium demand/prices • Reduced revenue due to decreased liquidity (non-compliance with exchange requirements) • Limited access to green financing	• Credit rating downgrades • Reduced capitalisation	Losses from accidents and operational disruptions caused by long-term environmental changes

Tailings and waste

Share of non-mineral waste recycling

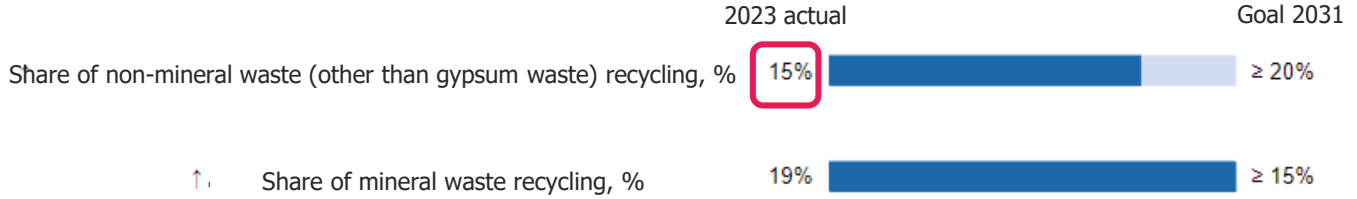
Share of mineral waste recycling

Share of gypsum waste recycling

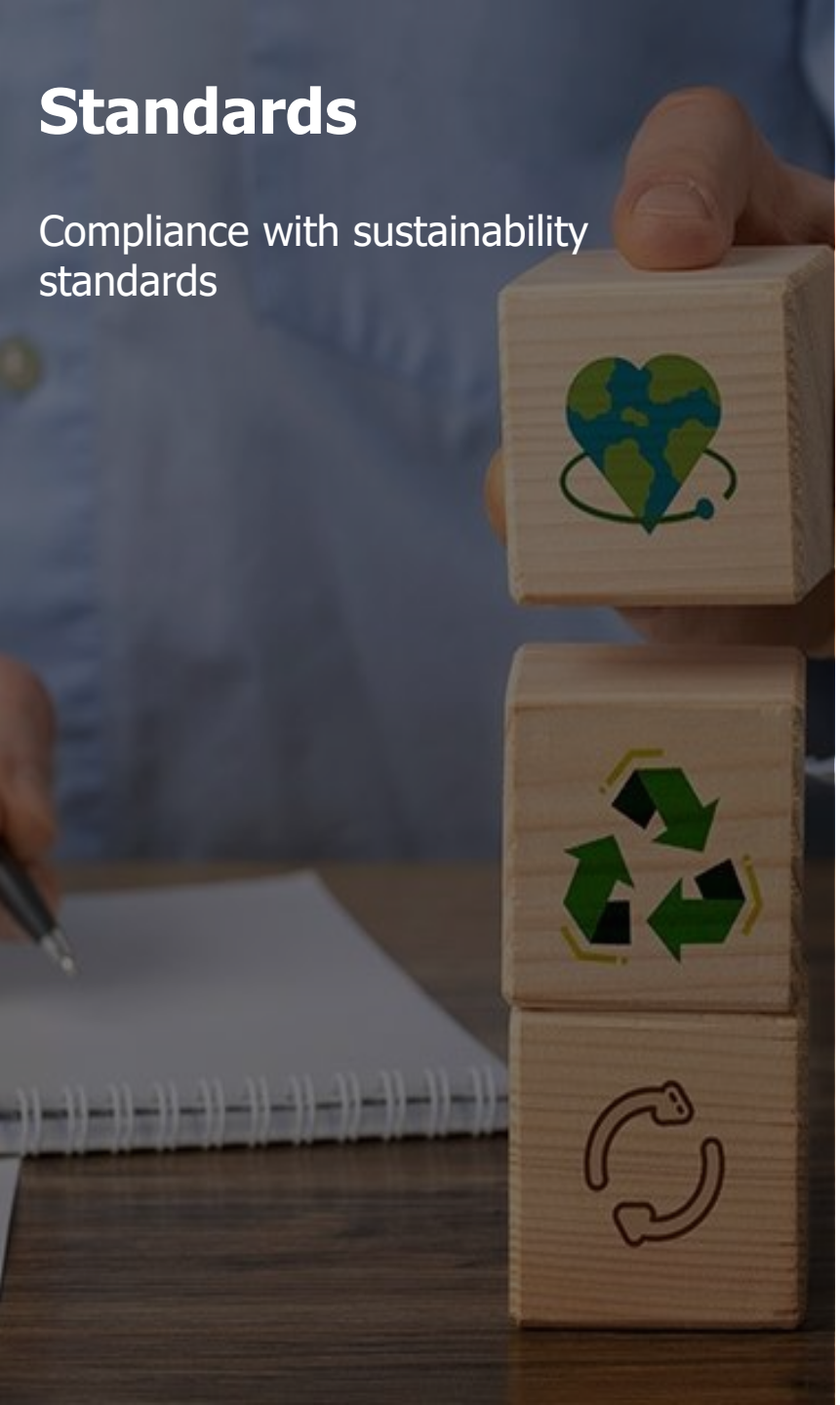
Goal 2031: XX%

Prerequisites for goal achievement

The share of non-mineral waste recycling needs to increase.
Starting 2021, landfilling of plastic, glass, paper, automotive tyres, etc., is prohibited



	Key projects	Timeline	Status
Kola MMC	Discontinuation of mineral waste disposal at waste facilities by implementing a project to integrate waste into production	2024–2031	The initiative involves integrating ferrous cake and neutralisation cake into production processes or sales. A proposal is under review to mix neutralisation cake with cement and process it at Polar Division to extract precious metals. The first batch was shipped in August. Market opportunities for these materials are also being explored.
	Incorporation of crushed stone production services in contracts with demolition companies (annual)	2022–2031	Technical specifications for recycled crushed stone have been developed. Recycled crushed stone is used for site levelling. Over three years, 148,000 tonnes have been used.
	Pilot project for waste sorting with subsequent sale or recycling	2022–2025	A waste management concept for Kola MMC has been approved. Measures include procuring containers, shredders, and compactors for waste processing.
Norilsk Division	Tyre recycling initiative	2021–2025	A feasibility study for constructing a unit for processing Norilsk Division's rubber waste has been approved by the customer (Polar Division). Contractor: Omega Recycling Company. The feasibility study outcomes will be reviewed by the R&D Panel, with next steps to be updated.
	Recycling construction waste into crushed stone	2020–2025	Mobile crushers have been purchased to process construction waste into crushed stone, which is used to backfill demolition sites



Standards

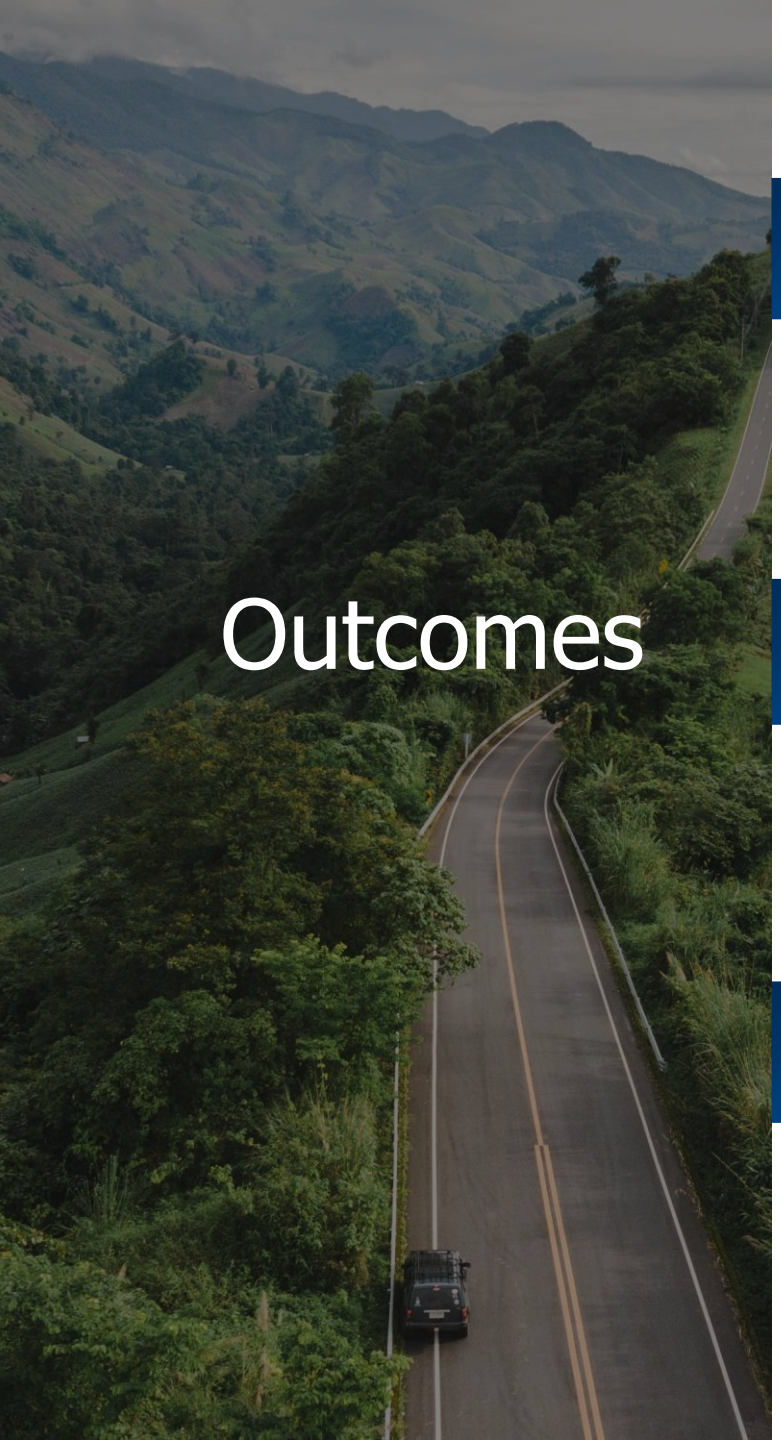
Compliance with sustainability standards

Prerequisites for goal achievement

	2021	2024
Relevance	▪ **Requirements** of existing investors ▪ **Attracting** new investors ▪ **Requirements** of clients from the USA and EU ▪ LME **requirements**[1]	▪ **Retaining** existing clients ▪ **Requirements** of clients from Asia and Western countries ▪ LME **requirements**[1] ▪ **Development** of Russian regulations aligned with international standards

	ICMM	IRMA	TCFD/S2	GRI	OECD
Customers		✓	✓	✓	✓
Competitors	✓	✓	✓	✓	✓
ESG rating agencies			✓	✓	✓
Asia-Pacific countries			✓	✓	✓

Source: Company data
Note: 1. London Metal Exchange



Outcomes

1. Approve targets for the mandatory part of the Strategy and its updated version
2. Consider extending the Strategy’s horizon to 2035
3. Return to setting targets for the voluntary part of the Strategy during the 2025 update


THANK YOU