



APPROVED
by resolution of the Board of Directors
of PJSC MMC NORILSK NICKEL
(Minutes No. GMK/36-pr-sd dated 29
November 2021)

PJSC MMC NORILSK NICKEL's Climate Change Policy

1. Scope

This Climate Change Policy (the "Policy") outlines the key principles, commitments, initiatives, performance targets, and governance bodies of MMC Norilsk Nickel (the "Company") and organisations within the Norilsk Nickel Group (collectively the "Group") related to climate change.

The Policy's requirements are mandatory for Company employees. The requirements of this Policy apply to organisations within the Norilsk Nickel Group in which MMC Norilsk Nickel directly or indirectly controls more than 50% of shares and which produce greenhouse gas emissions ("Norilsk Nickel Group corporate entities").

2. Context

Climate change is one of the most critical and urgent global challenges that poses substantial risks to economies, business operations, and communities. As a signatory to the UN Global Compact, the Company fully supports the UN Sustainable Development Goals (the "SDGs"), and SDG 13: Climate Action in particular. The Company recognises that there is a need for collective global action to combat climate change. The Company shares the principles of the Paris Agreement on climate change and leverages its capabilities to reach the stated goals.

As a significant part of the Company's activities take place in the Arctic zone, the Company aims for cooperation with authorities and the scientific community, supporting and promoting scientific research into the region's nature and climate, building and expanding a climate monitoring system, and developing and delivering measures to reduce GHG emissions and adapt to climate change.

The Company recognises the need to remain resilient to climate-related risks, manage its GHG emissions in accordance with established targets, and attract innovations to better gear up the business to meet current challenges.

The Company makes a significant contribution to combatting global warming by supplying sustainably manufactured products and commodities to the industries and entities essential for decarbonisation.

The Policy lays the foundations for a sustainable corporate development programme that will allow for energy efficiency improvements and the use of renewables and cleantech (including CCUS and energy storage, among others), with the ultimate long-term goal of decarbonising the Company's business and supporting the global climate agenda.

3. Climate change commitments and principles

- 3.1. Develop and regularly update the climate change strategy.¹
- 3.2. Implement governance and tools for managing climate change risks and integrating them into the corporate risk management framework in line with TCFD requirements,² including:
 - a. preparing climate-related scenarios to assess transition risks and opportunities³ for the Company and Norilsk Nickel Group corporate entities and test resilience of the corporate strategy in line with the TCFD recommendations;
 - b. developing climate change scenarios to assess physical risks⁴ to the Company and Norilsk Nickel Group corporate entities.
- 3.3. Hold regular audits in key areas, such as:
 - a. climate-related risk management;
 - b. publicly disclosed climate-related metrics.
- 3.4. Identify and measure the contribution of the Company's and Norilsk Nickel Group corporate entities' products to a low-carbon economy through a life cycle assessment.
- 3.5. Consider commercially viable opportunities to reduce our carbon footprint, including:
 - a. introducing assessment tools to ensure responsible sourcing across the value chain;
 - b. ensuring the accounting and disclosure for GHG emissions in line with the methodology for calculating the carbon footprint of the Company's and Norilsk Nickel Group corporate entities' products, including against the requirements of the Greenhouse Gas Protocol (GHG Protocol), and implementing measures to achieve performance targets;
 - c. developing cleantech partnerships to accelerate the shift to low-carbon operations.
- 3.6. Attract and efficiently allocate capital to enable the Company's climate change strategy.
- 3.7. Encourage the introduction of best practices and innovations, including:
 - a. measures to increase energy efficiency;
 - b. renewable energy sources;
 - c. CCUS technologies;
 - d. energy storage technologies;
 - e. introducing best available technologies⁵ and global best practices for adapting to climate change;

¹ Hereinafter a part of Nor Nickel's Environmental and Climate Change Strategy.

² TCFD – the Task Force on Climate-Related Financial Disclosures, an international working group set up under the G20's Financial Stability Board.

³ Risks and opportunities arising from the low-carbon transition.

⁴ Risks arising from natural events (acute) or long-term climate change (chronic).

⁵ In particular, Best Available Techniques. System of Standards on Best Available Techniques. General Provisions. GOST R 113.00.01-2019.

- f. promoting R&D into adapting to climate change;
 - g. applying internal carbon pricing mechanism to the investment planning process.
- 3.8. Implement and use mechanisms to offset GHG emissions, including natural climate solutions⁶ (including the restoration and preservation of forests and other ecosystems acting as carbon sinks), where they appear to be the most feasible and commercially viable options.
- 3.9. Implement key performance indicators related to the achievement of climate change goals for Company managers and employees.
- 3.10. Broaden engagement and partnerships with stakeholders⁷ on climate-related issues, including by:
- a. aligning the Company's climate change strategy with the Intended Nationally Determined Contributions (INDC) for Russia and other national initiatives, including, but not limited to, industry allowances;
 - b. cooperating with federal, regional and municipal bodies, as well as the scientific community, to deepen understanding of climate matters and find solutions through programmes to adapt to climate change;
 - c. actively participating in global and national initiatives to promote low-carbon innovations and scientific research, especially on climate change in the Arctic;
 - d. looking into membership of key associations that advocate for transitioning to a low-carbon economy;
 - e. encouraging suppliers and contractors to share the Company's principles and help us to deliver on our commitments;
 - f. forging partnerships with academia and supporting research to better understand physical climate-driven risks to the Group's assets;
 - g. ensuring public disclosure of GHG emissions in line with the GHG Protocol;
 - h. monitoring GHG emissions throughout the value chain;
 - i. supporting the development of a market for GHG emissions trading and a relevant regulatory and policy framework on the industrial, national and global levels as long as such initiatives are aligned with international agreements.
- 3.11. Ensure transparent and regular disclosure of the Company's GHG emissions targets as well as other material metrics and performance aspects under Russian law and leading international standards, including the GHG Protocol, GRI, TCFD, and other commitments voluntarily made by the Company as part

⁶ Measures to preserve, restore, and sustainably manage natural or modified ecosystems that effectively and adaptively address social challenges while providing benefits to human well-being and biodiversity.

⁷ Stakeholders are individuals and legal entities, groups and associations, and other external organisations, whose interests may be affected by the Company's activities, as well as parties that may affect the Company.

of compliance with requirements of individual sustainability standards and associations.

4. Key initiatives and targets

To deliver on our goals and commitments, the Company and Norilsk Nickel Group corporate entities take the following key actions:

- 4.1. Reducing our contribution to climate change:
- a. up-to-date information on the Company's climate-related targets and performance is available on its website and in public reports: <https://www.nornickel.com/sustainability/climate-change/strategy/>.
- 4.2. Adapting to climate change:
- a. enhancing risk assessment and mitigation for physical risks and transition risks;
 - b. strengthening risk management through a science-based approach to risk identification and assessment;
 - c. continuing efforts to upgrade and expand the existing climate monitoring system in the operating regions of the Company and Norilsk Nickel Group corporate entities, including through support of relevant initiatives at the federal, regional, and municipal levels;
 - d. continuing energy infrastructure upgrades;
 - e. helping affected local communities in the operating regions of the Company and Norilsk Nickel Group corporate entities to mitigate and adapt to physical climate-related risks, including supporting the Norilsk Administration to establish a municipal permafrost monitoring service, rolling out successful technologies from the Company and Norilsk Nickel Group corporate entities to support sustainable municipal development, and providing the Norilsk Administration with access to expertise to enrich decision-making on the sustainable development of local communities in the context of climate change.

5. Governance

Governance body	Key responsibilities
1. Board of directors	
The Company's Board of Directors	Approves the Climate Change Policy and changes to this Policy. Approves the climate change strategy and risk appetite. Monitors the climate change risk management framework.
2. Management board	

Governance body	Key responsibilities
The Company's Management Board	<p>Implements measures and procedures for climate change risk management.</p> <p>Approves the Company's climate change risk appetite and issues recommendations to the Board of Directors for approval.</p>
3. Units of the Company's Head Office	
Senior Vice President for Sustainable Development	<p>Participates in the development of the Environmental and Climate Change Strategy by aligning it with the sustainable development concept.</p> <p>Develops, monitors and coordinates the implementation of the Company's sustainable development policy.</p>
Sustainable Development Department	<p>Defines the Company's ambitions and vision for climate change.</p> <p>Organises and coordinates the Company's sustainable development efforts, including in terms of climate change.</p> <p>Monitors compliance of the Company's and Norilsk Nickel Group corporate entities' climate-related activities with international standards and external stakeholder demands.</p> <p>Provides for the Company's membership and participation in climate organisations and associations.</p> <p>Coordinates the climate change risk management process.</p> <p>Ensures that sustainability disclosures, including on climate change, are incorporated into public non-financial reporting.</p>
Accounting, Taxation and Financial Reporting Department	<p>Organises and oversees data collection for climate change reporting.</p> <p>Calculates financial metrics related to climate change in line with the TCFD recommendations.</p> <p>Develops a methodology in line with the GHG Protocol for calculating Scope 3 upstream emissions and calculates the Scope 3 upstream GHG emissions.</p> <p>Calculates the actual carbon footprint of the Company's products and Norilsk Nickel Group corporate entities' products.</p> <p>Organises climate risk accounting in line with IFRS and other standards, and reflects the financial assessment of material risks in the Group's financial statements.</p>
Insurance and Financial Risks Department	Oversees climate-related risk placement on the insurance market.
Economic Department	Calculates the internal carbon price to be used when making investment and operational decisions.

Governance body	Key responsibilities
	<p>Plans and forecasts the carbon footprint of the Company's and Norilsk Nickel Group corporate entities' products in the short and medium term.</p> <p>Considers and assesses the impact of climate change risks on the Group's financial targets in the short and medium term.</p> <p>Plans, budgets and monitors climate change data collection in the short and medium term.</p>
Centre for Efficiency Analysis and Goal-Setting	Ensures the decomposition of climate-related KPIs and their inclusion in team KPIs at the Company and Norilsk Nickel Group corporate entities.
Treasury Department	Attracts financing, including instruments linked to projects or key sustainability metrics, to deliver on the Company's climate change strategy among other goals.
Innovative Development Department	Issues recommendations for strategic partnerships that drive climate-related innovation.
Strategic Planning Department	<p>Integrates the Company's climate change strategy into its development strategy.</p> <p>Calculates scenarios for strategic modelling and assesses the long-term impact of climate scenarios on the Group's development.</p>
Marketing Department	<p>Assesses the impact of climate-related risks and opportunities on the sustainability of the product portfolio and sales strategy.</p> <p>Develops a methodology in line with the GHG Protocol and calculates the Scope 3 downstream GHG emissions.</p>
Ecology Department	<p>Develops the climate change strategy and action plan to implement it, sets strategic climate-related goals.</p> <p>Decomposes the environmental and climate change strategy into objectives for the branches of the Company and Norilsk Nickel Group corporate entities.</p> <p>Oversees the development of action plans to implement the climate change strategy for the Company's branches and Norilsk Nickel Group corporate entities.</p> <p>Develops proposals for climate-related KPIs for employees of the Company and Norilsk Nickel Group corporate entities.</p> <p>Calculates Scope 1 and Scope 2 emissions in line with the GHG Protocol.</p>
Risk Management Service	Maps key climate-related physical and transition risks.

Governance body	Key responsibilities
	<p>Supports risk owners in developing a methodology for identifying, assessing and managing climate-related risks and ensures consistency across the corporate methodology.</p> <p>Develops proposals for the climate-related risk appetite metrics.</p> <p>Prepares reports on key risks, including climate-related risks.</p>
Industrial Assets Department	<p>Coordinates the development, and follows up the progress, of measures to mitigate climate-related physical risks at the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p> <p>Develops and implements energy efficiency initiatives for the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p>
Logistics Department	<p>Coordinates the development, and follows up the progress, of measures to mitigate climate-related physical risks at the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p> <p>Develops and implements alternative energy initiatives for the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p>
Energy Department	<p>Coordinates the development, and follows up on the progress, of measures to mitigate climate-related physical risks at the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p> <p>Develops and implements decarbonisation initiatives for the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p>
Production and Technical Department	<p>Coordinates the development, and follows up on the progress, of measures to mitigate climate-related physical risks at the Company's and Norilsk Nickel Group corporate entities' facilities that fall under the department's area of responsibility.</p>
Internal Audit Department	<p>Audits the performance of the corporate risk management system, including climate-related risks.</p>
PR Department	<p>Develops a relevant methodology, identifies and assesses reputational transition risks, and develops and implements an action plan to manage these risks.</p>
HR Department	<p>Organises employee training to build capabilities for climate action and climate change strategy delivery, and designates employees to deliver this training.</p>

Governance body	Key responsibilities
Federal and Regional Programmes Department	Leads dialogue on climate change between the Company and the state, regional and municipal authorities, as well as expert, scientific and non-governmental organisations.
4. The Company's branches and Norilsk Nickel Group corporate entities	
The Company's branches and Norilsk Nickel Group corporate entities	<p>Develop proposals for a roadmap to support the implementation of the climate change strategy.</p> <p>Ensure the availability of financial and other resources to implement the climate change strategy, including for activities to mitigate climate change risks.</p> <p>Develop a relevant methodology, identify and assess climate-related physical risks.</p> <p>Develop and implement climate change strategy activities, including the mitigation of climate-related physical risks.</p>

6. Responsibility

- 6.1. The Senior Vice President for Sustainable Development is liable for failure to make timely updates and amendments to this Policy.

7. General provisions

- 7.1. This Policy is subject to regular review by the Board of Directors (at least every 5 years).