



ENVIRONMENTAL PROTECTION AND CLIMATE CHANGE

Environmental and Climate Change Strategy



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In 2021, the Company's Board of Directors approved the Environmental and Climate Change Strategy (the "Strategy"), which primarily focuses on improving the quality of the environment and environmental safety.

The Strategy identifies 20 long-term environmental and climate change goals across the key areas such as climate, air, water, waste (including tailings storage), soils, and biodiversity. A comprehensive plan was developed to drive measurable and achievable results in a move that will support the implementation of the Strategy and progress towards its goals. All Nornickel enterprises are expected to start implementing the plan in 2022.

Nornickel focused on developing modern, efficient, environmentally friendly production with strategic priorities including sustainable development and unlocking the Company's potential in the medium and long term, taking into account the expanded environmental and climate agenda.

Nornickel's Environmental and Climate Change Strategy



CLIMATE CHANGE



AIR



WATER



TAILINGS & WASTE



LAND



BIODIVERSITY

TARGETS TO 2028:

Reduce absolute greenhouse gas emissions (Scope 1 and 2) from production operations to

7.7 mln t
of CO₂ equivalent

Reduce the intensity of greenhouse gas emissions (Scope 1 and 2) from production operations

by **37%**



Key initiatives contributing towards these goals include the consistent delivery of the Sulphur Project (aimed at dramatic reduction of sulphur dioxide emissions in the Norilsk Industrial District and complete elimination of emissions along the Russian border on the Kola Peninsula), water recycling and reuse, waste reuse, remediation of legacy pollution, land restoration, monitoring of industrial assets, and biodiversity conservation.

Our climate action plan is primarily focused on mitigating physical risks from climate factors all while improving energy efficiency, promoting green technology and upgrading our facilities to set the Company on the path to carbon neutrality and long-term competitiveness of its products.

Integral parts of the Strategy's execution include deploying new management processes, providing reporting, joining associations and making changes to meet the requirements of international sustainability standards such as ICMM, IRMA, TCFD reporting standards, and GHG Protocol, as well as implementing the principles of the Global Tailings Standard and disclosing information in line with EITI requirements.

To support the effective implementation of the Strategy and improve risk management, the Company updates its environmental and climate change management framework: dedicated units have been created at the corporate level to focus on sustainable development, the environment, occupational health and safety, human resources, and social policies, with all Nornickel employees involved in the transformation process.

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2021, the Environmental Management System¹ (EMS) continued to operate as part of the Corporate integrated Quality and Environmental Management System (CIMS), providing an opportunity to align environmental and quality management efforts with initiatives in other areas. This approach improves both overall and environmental performance of the Company.

SYSTEM AUDIT

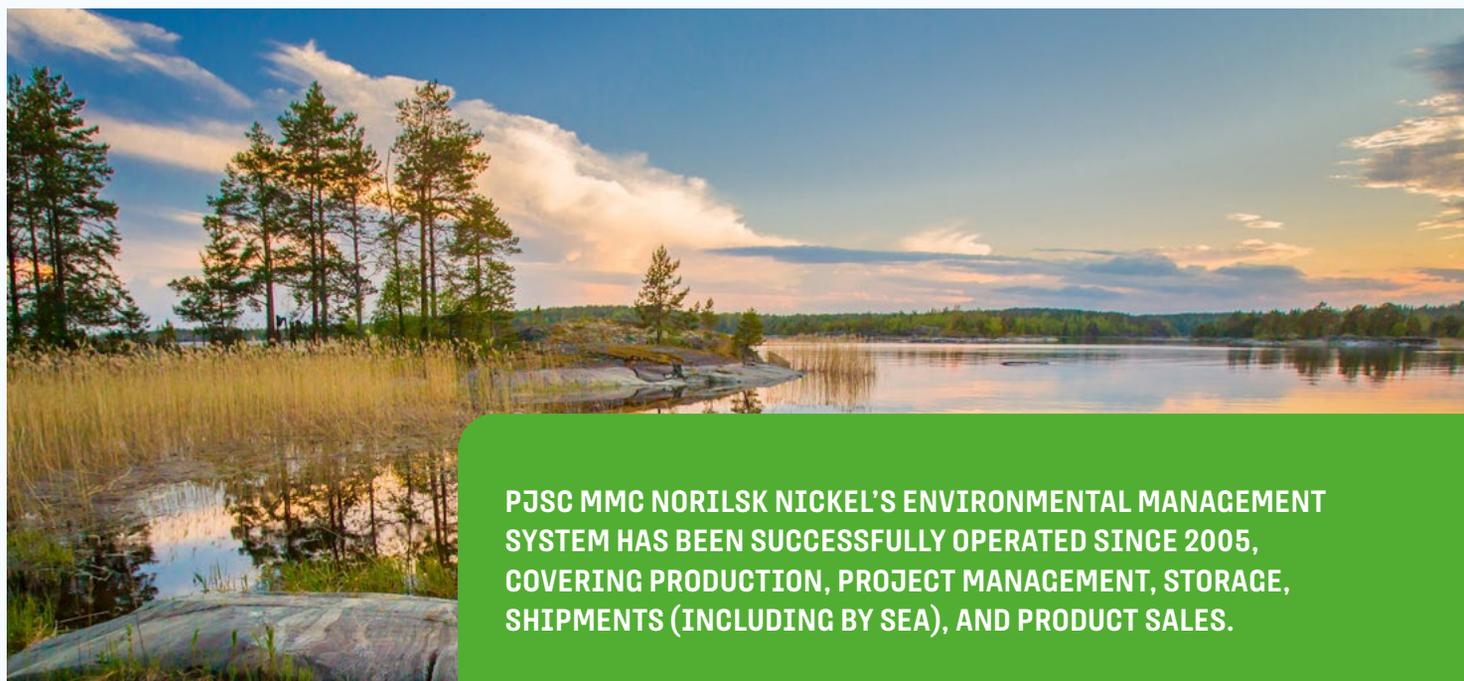
Certificate
ISO 14001-2015

Certified assets

- MMC Norilsk Nickel
 - Head Office
 - Polar Division
 - Polar Transport Division
 - Murmansk Transport Division
- Kola MMC
- Norilsk Nickel Harjavalta

Auditor
Bureau Veritas Certification

At the end of 2021,
43%
of Group companies
(by headcount) were certified to
ISO 14001-2015, an international
environmental standard.



PJSC MMC NORILSK NICKEL'S ENVIRONMENTAL MANAGEMENT SYSTEM HAS BEEN SUCCESSFULLY OPERATED SINCE 2005, COVERING PRODUCTION, PROJECT MANAGEMENT, STORAGE, SHIPMENTS (INCLUDING BY SEA), AND PRODUCT SALES.

¹ PJSC MMC NORILSK NICKEL's Environmental Management System has been successfully operated since 2005, covering production, project management, storage, shipments (including by sea), and product sales.

In line with ISO 14001:2015, the Company confirms the EMS compliance with the standard by engaging Bureau Veritas Certification (BVC) to conduct surveillance audits once a year and recertification audits every three years. From March to April 2021, BVC auditors conducted a recertification audit of the Company's environmental management system. The auditors concluded that the Company successfully demonstrated that it had deployed and was maintaining and continuously improving its corporate integrated quality and environmental management system, as well as confirmed its compliance with ISO 14001:2015, and issued a certificate of compliance for another (sixth) certification period. The first surveillance audit (for the sixth certification period) was conducted in November 2021 to evaluate the effectiveness of the Company's existing environmental management system and verify its compliance with ISO 14001:2015. The auditors concluded that, in general, the Company's corporate integrated quality and environmental management system met the requirements of ISO 14001:2015 and renewed its certificate of compliance. Among other things, the auditors praised the Company's Environmental Policy, which was updated in 2021 and demonstrates the leadership of the Company's top management in addressing environmental matters.

ENVIRONMENTAL SAFETY

To improve environmental safety, the Company has set up an Ecological Monitoring Centre, primarily focusing on building a monitoring framework to detect anomalies in operations that may cause environmental incidents, accidents or emergencies. Timely detection of such threats can prevent incidents or ensure a rapid response to mitigate their negative environmental impact.

AS PART OF THESE EFFORTS, THE CENTRE:

- ➔ conducts lookahead environmental safety audits, with 30 such audits conducted in 2021 and 124 corrective activities subsequently completed as a result to mitigate potential negative environmental impacts and risks
- ➔ conducts on-site drills to improve preparedness for response to environmental accidents and emergencies, with 12 such on-site drills conducted in 2021
- ➔ establishes control over compliance with the requirements and instructions of state authorities, as well as the Group's internal requirements aimed at reducing negative environmental impacts and risks.

