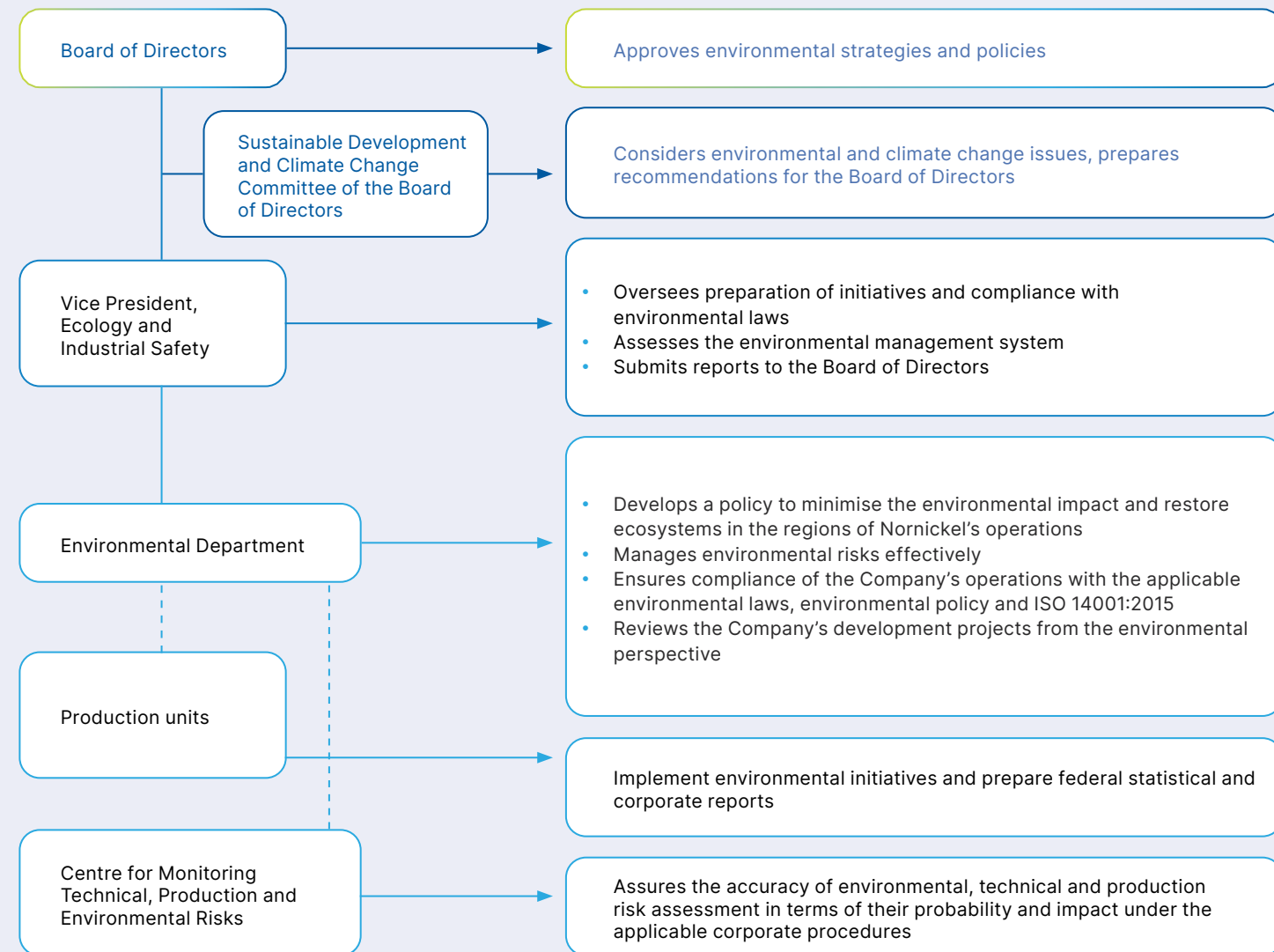


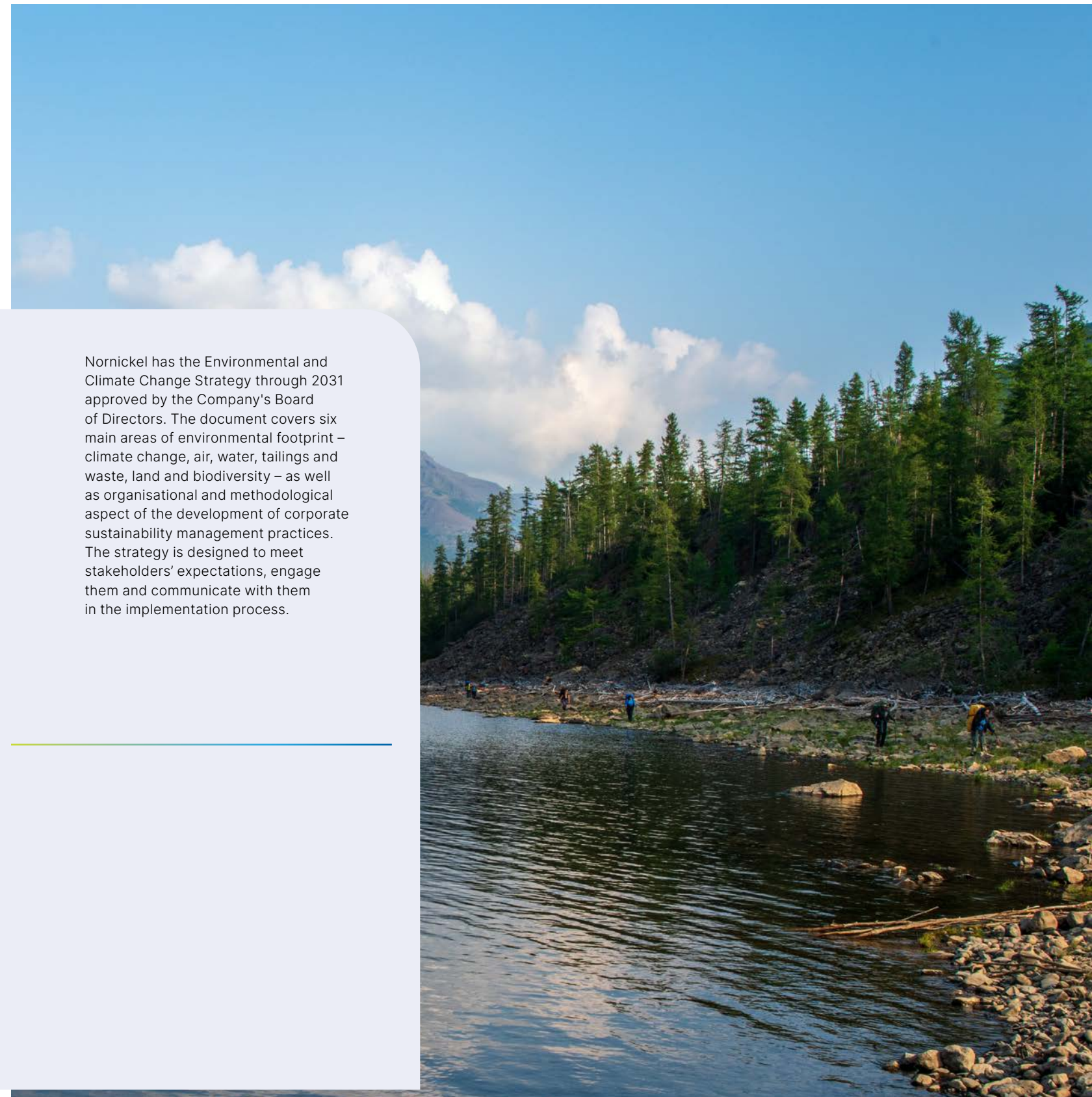
Environmental management

Nornickel is engaged in ongoing efforts to reduce the negative environmental impact of its operations. Environmental management responsibilities are distributed among different governance bodies of Nornickel in line with their competencies.

GRI 2-12, 2-13, 2-14



Nornickel has the Environmental and Climate Change Strategy through 2031 approved by the Company's Board of Directors. The document covers six main areas of environmental footprint – climate change, air, water, tailings and waste, land and biodiversity – as well as organisational and methodological aspect of the development of corporate sustainability management practices. The strategy is designed to meet stakeholders' expectations, engage them and communicate with them in the implementation process.



Key areas and targets of the Environmental and Climate Change Strategy through 2031

Strategic area	Target indicators	2022 results
Climate change	<ol style="list-style-type: none"> Maintaining absolute GHG emissions from operations (Scope 1 and 2) at around 10 mt of CO₂ equivalent through 2030 while growing production by 30–40% (Ni equivalent vs 2017). Keeping Scope 1 and 2 GHG emissions per tonne of Ni-equivalent in the bottom quartile of global metals and mining industry GHG intensity curve. 	In 2022, absolute Scope 1 and 2 GHG emissions totalled 6.4 mt of CO ₂ equivalent, while the Sulphur Programme GHG emissions provision totalled 2.2 mt of CO ₂ equivalent ¹ .
Air	<ol style="list-style-type: none"> Reducing SO₂ emissions by 85% at Kola Division in 2021 and by 90% at Polar Division in 2025 vs 2015. 	Thanks to the Sulphur Programme implementation, Kola Division's SO ₂ emissions declined by 90% vs 2015. Construction and installation continued at Nadezhda Metallurgical Plant and are to be completed by the end of 2023.
Water	<ol style="list-style-type: none"> No interregional or federal emergency situations. Reducing the volume of pollutants discharged by 25% vs 2019 and achieving the maximum permissible emissions rate of 159 kt by 2031. Keeping fresh water withdrawal (excluding mining water) for production needs at the level of 2020 at 120 mcm³. Keeping water recycling and reuse rates above 80%. Eliminating the CHP-3 fuel spill consequences and clean-up to normalise the water indicators by the end of 2022. 	<p>In 2022, there were no significant spills. In 2022, there were no interregional or federal emergencies with environmental consequences. Construction was carried out at Nornickel's sites to erect wastewater treatment facilities.</p> <p>The volume of pollutants discharged in 2022 reduced by 12% y-o-y.</p> <p>In 2022, fresh water intake (excluding mining water) for production needs totalled 236.4 mcm³.</p> <p>Water recycling and reuse rate was 82% in 2022.</p> <p>The CHP-3 incident clean-up was completed.</p>
Tailings and waste	<ol style="list-style-type: none"> Disposing of 100% of tailings generated by new projects to environmentally safe facilities featuring best-in-class technologies, starting 2025. Eliminating (collection and processing) 100% of accumulated waste. Increasing/maintaining the share of non-mineral waste (other than gypsum) recycling. Increasing/maintaining the share of mineral waste recycling above 30%. Increasing the share of gypsum waste recycling. 	<p>Over the last five years, there have been no environmental incidents at the Company's hydraulic structures.</p> <p>Nornickel collected 510 kt of waste and 32 kt of scrap metal, dismantled 154 facilities, and cleaned more than 1.5 million m² of contaminated areas in the Norilsk Industrial District.</p> <p>The technical phase of disturbed land rehabilitation was carried out on an area of 78.8 ha. The project will continue until 2030. Efforts are underway to increase/maintain the share of non-mineral waste recycling.</p>

¹ Excluding GHG emissions from heat and electricity supply to the public.

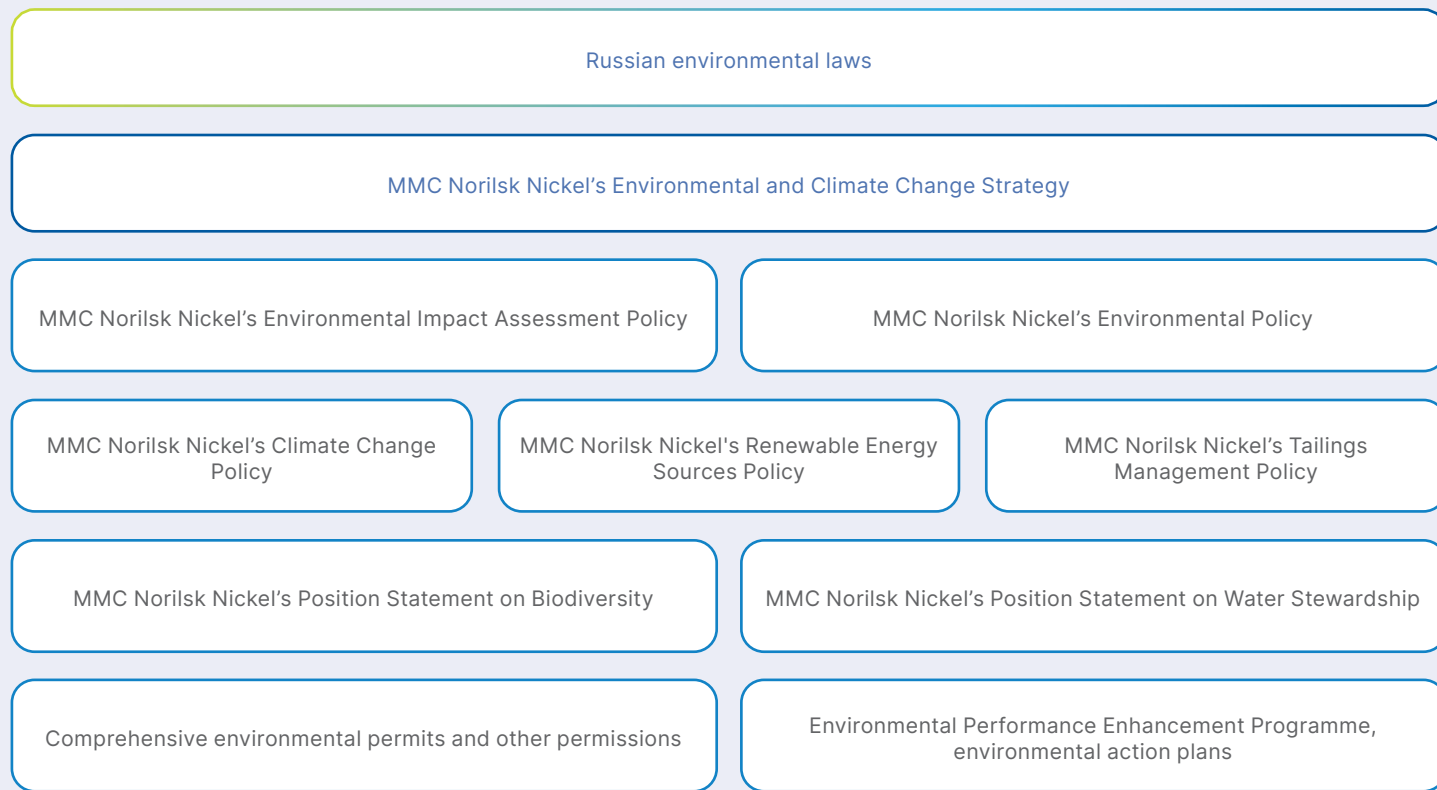
² Excluding Energy Division.

³ Including Energy Division

Strategic area	Target indicators	2022 results
Land	14.Rehabilitation of 117 ha/year of disturbed land and land clean-up in towns and cities near production sites.	In 2022, 362 ha of disturbed land was rehabilitated, including landscaping of 2 ha, reforestation of 285 ha, and reclamation of 75 ha.
Biodiversity	15.Reducing a negative impact on biodiversity, including forest conservation near production sites.	Baseline biodiversity surveys were conducted to collect primary data, and a methodology was developed to determine the target of net zero biodiversity losses as a result of the Company's operations.
Stakeholder expectations, engagement and communications	<ol style="list-style-type: none"> Compliance with the TCFD principles. Compliance with ICM requirements. Compliance with IRMA requirements. 	<ul style="list-style-type: none"> Climate scenarios for the world economy and climate change through 2050 were developed; Scope 3 emissions were measured; methodology to calculate the internal carbon price was developed; rollout of the monitoring solution continued for foundations built on permafrost soils in Norilsk. <p>Based on the results of the self-assessment, work is underway to develop by-laws and upgrade management practices to meet the requirements.</p> <p>The Company conducted a self-assessment and an independent assessment of its mining assets compliance and readiness for certification.</p>

In addition to the Strategy and divisional programmes, Nornickel relies on a number of environmental regulations.

Key environmental management regulations



Key environmental policies are subject to approval by the Board of Directors, as well as regular review and improvement. Trainings on policies and regulations are held in line with annual (quarterly) training plans of respective units.

When planning its operations and in the course of its production activities, Nornickel complies with the applicable Russian environmental laws and regulations. During a state expert review, design documents and results of engineering surveys for all

the ongoing projects undergo mandatory assessment for compliance with the applicable laws.

Environmental management system

Since 2005, Nornickel has been operating an Environmental Management System. The System enables the Company to harmonise environmental and quality management initiatives with the operations of other functions (such as production management, finance, and safety) and enhance its overall performance along with environmental safety.

The auditors of Bureau Veritas Certification (BVC), an international certification body, conduct surveillance audits once a year and recertification audits once every three years to confirm compliance of the Company's Environmental Management System with ISO 14001:2015. The 2021 recertification audit confirmed the Company's compliance with ISO 14001:2015 and awarded a

certificate for a new (sixth) certification period. The second surveillance audit of the sixth certification period was conducted in November 2022. According to the auditors' conclusions, the Company ensured successful implementation, maintenance, and constant improvement of the Corporate Integrated Management System, and confirmed compliance with ISO 14001:2015.

Precautionary approach

GRI 2-23

Nornickel assesses potential impact of the Company's operations. In accordance with its Investment Project Risk Management Regulations, Nornickel analyses risks and assesses impacts and potential consequences using qualified

expert review during both project planning and implementation. If the analysis identifies any material risks, mitigation initiatives are developed, and a decision may be taken to abandon the project.

Stakeholder engagement on environmental issues

Environmental issues, including efforts to reduce Nornickel's environmental footprint, are constantly on the agenda of the Company and stakeholders. All internal and public events feature environmental discussions.

In 2022, the following items were on the agenda of various forums and platforms:

- implementation of the Environmental and Climate Change Strategy;
- implementation of the Company's environmental programmes and initiatives;
- improvement of environmental laws and regulations;
- decarbonisation and sustainable development;
- sharing of best practices in environmental protection;
- industrial ecology problems;
- results of the Big Scientific Expedition;
- preservation of ecosystems across the footprint of production sites.

In October–December 2022, Nornickel and the Siberian Branch of the Russian Academy of Sciences held a series of public meetings to present the results of biodiversity surveys conducted near the Company's mining, production, energy and logistics facilities. The meetings took the form of a dialogue, with scientists and Nornickel representatives sharing the results of their work and answering all the questions

from those present, while also recording stakeholders' expectations. The public meetings at regional civic chambers were open to all residents and organisations that wished to attend subject to prior registration on the Civic Chamber's platform.

In 2022, Nornickel entered into two agreements with the Russian Ministry of Natural Resources and Environment as part of the federal Biodiversity Conservation and Ecotourism Development project – one to protect the population of an endangered bird species of the Falconidae family, the gyrfalcon, and the other for the conservation and restoration of the polar bear population.

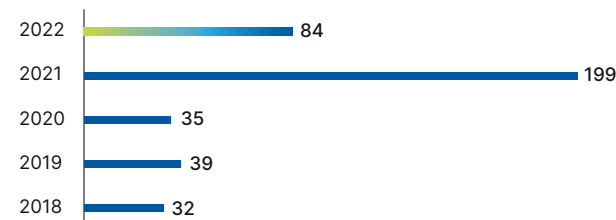
For more details, please see → the Biodiversity section.

In the reporting year, Nornickel also signed two agreements with the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) aimed at preserving the environment and ensuring environmental safety. The first agreement provides for the exchange of information and joint implementation of environmental initiatives. The second one relates to a pilot project, first of its kind in Russia, and covers the provision of support and advice by Rosprirodnadzor on Nornickel's high-potential investment projects.

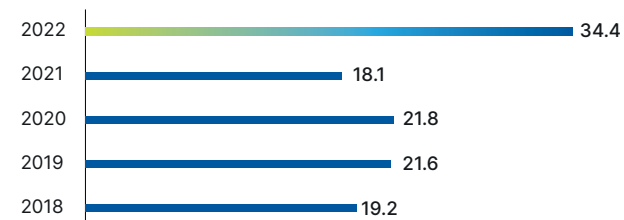


Environmental protection expenditures

Environmental costs and expenditures, RUB bn

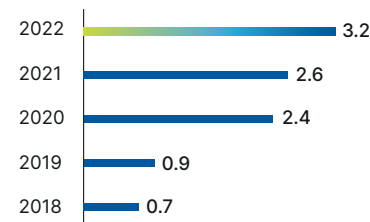


Current environmental expenditures, RUB bn



In 2022, the increase in current environmental expenditures was caused by higher costs of operating the surface backfilling preparation complexes at Polar Division.

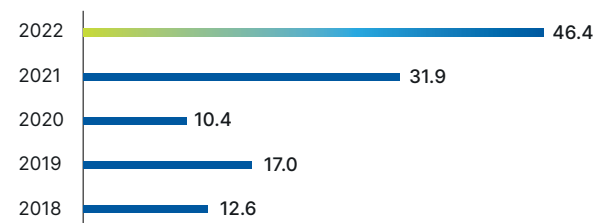
Charges for permissible and surplus emissions (effluents) and disposal of production and consumption waste, RUB bn



The increase in pollution charges was caused by the recovery of processing volumes of copper and nickel feedstock from Norilsk Division mines after their suspension due to flooding in 2021 and a higher sulphur content in the incoming feedstock.

The charge increase is also due to a greater volume of the disposal of construction and renovation waste generated by the programme on land clean-up

Capital investments to ensure environmental protection and sustainable use of natural resources, RUB bn



The increase in investments in 2022 is due to the active construction phase at the Sulphur Programme.

Charges paid by the Company to remedy damages arising from noncompliance with environmental laws (excluding environmental fines)¹, RUB mln



In 2022, penalties imposed for the damage caused by violation of environmental laws totalled around RUB 236 mln, of which the largest was the charge for damage to water bodies (lakes No. 1 and No. 2 near the Tukhard settlement) resulting from an aviation fuel spill of 2020.

¹ RUB 146 bn paid in 2021 is the fine for the fuel spill at NTEC's CHP-3, which occurred in 2020

Climate change and energy efficiency

Approach to climate change

Nornickel realises that climate change is one of the most significant and urgent global issues that poses a high risk to economic activity and society. As a party to the UN Global Compact, the Company fully supports the UN Sustainable Development Goals (SDGs), in particular SDG 13 Climate Action, and actively participates in joint efforts of the international community to combat global warming.

The Company unconditionally shares the principles of the Paris Agreement and supports its implementation in terms of keeping the global average temperature increase below 2 °C and making efforts to limit the increase to 1.5 °C. Nornickel actively engages with the scientific community, supporting and promoting nature and climate studies in the region, creating and expanding the climate monitoring system, and developing and implementing measures to reduce GHG emissions and adapt to climate change.

In developing strategic and regulatory documents and implementing climate change initiatives, Nornickel is guided by recognised international standards for building a corporate governance system and a climate risk management system, as well as standards for climate-related disclosures. These standards and guidelines include:

- TCFD Recommendations;
- GHG Protocol;
- ICMM principles;
- IRMA's Standard for Responsible Mining;
- Global Industry Standard on Tailings Management (GISTM);
- requirements of ESG agencies and ratings (EcoVadis, Sustainalytics, MSCI, CDP);
- recommendations of the Bank of Russia on disclosure by public joint-stock companies of non-financial information related to their operations;
- methodological recommendations and indicators of the Russian Ministry of Economic Development on climate change adaptation.

The Company plans to issue its first public climate change report in 2023. The report will be drafted in accordance with the TCFD Recommendations, and aims to demonstrate the progress made towards achieving the goals of the Paris Agreement. The report will reflect the Company's key projects and initiatives for effective adaptation to climate change and its effects, including a description of physical risk assessment projects and transition risks and opportunities.

