

CLIMATE CHANGE

Nornickel closely monitors for global initiatives to reduce greenhouse gas emissions and is developing a strategy to manage the Company's impact on climate change.

The Company also has a long-term development strategy providing for the modernisation of its production assets through the deployment of best available technologies, improvement of energy efficiency, energy saving, and energy intensity reduction. The Company's strategy takes into account key non-financial risks, including climate risk, as well as current trends in this space.

Nornickel's Board of Directors considers climate change issues as a matter of priority and includes them in its discussions of the Company's environmental strategy. The climate change matters are also high on the Company's strategic and operational agendas and overseen by the First Vice President – Chief Operating Officer.

In 2019, the Company set up a working group including its Vice Presidents to monitor environmental programmes and initiatives including ones related to climate change. The group is led by Gareth Penny, Chairman of the Board of Directors.

CLIMATE RISK MANAGEMENT

Global warming and other consequences of climate change may affect the Company's operations in the longer run. Their impact may include abnormal weather or lasting changes in weather patterns. Physical consequences of climate change can include droughts and permafrost thawing, which can have a material adverse effect on Nornickel's operations.

9.9
mln t

totalled CO₂ emissions (Scope 1+2),
the lowest level among global majors

As part of its risk management strategy, Nornickel implements a range of measures to monitor and control these risks. These activities enable Nornickel to keep climate risks at an acceptable level. Occurrence of climate risks may also unlock additional opportunities for Nornickel, driven by a strong demand for metals essential for the development of a low-carbon economy:

Furthermore, the metals produced by the Company are widely used in transition to low-carbon economy: platinum group metals (PGMs) are used in auto catalytic converters, nickel is a key component in EV batteries, and copper is used in EV charging infrastructure.

Hydropower is the main source of renewable energy for the Company. The use of other renewables such as solar, geothermal, and wind energy is limited, as Nornickel's main production assets are located north of the Arctic Circle in harsh climatic conditions.

Since its establishment in 1935, the Company has been developing in these challenging climatic conditions and had to consider them in building its energy assets, relying on low-carbon fuels, i.e. natural gas (about 90% of the energy mix), and renewable hydropower (about 10%).