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# Independent Audit Firm’s Limited Assurance Report on Information in the Climate Change Report of Norilsk Nickel Group presented in 2023

To the Shareholders of PJSC Mining and Metallurgical Company Norilsk Nickel

## Introduction

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We were engaged by the Management of PJSC Mining and Metallurgical Company Norilsk Nickel (hereinafter – “the Management”) to report on information in the Climate Change Report of Norilsk Nickel Group (hereinafter – “the Group”) presented by the Group in 2023 (hereinafter – “the Report”) in the form of a limited assurance conclusion on whether information in the Report is prepared, in all material respects, in accordance with the applicable criteria (presented in the section “Applicable criteria” of this report) and is free from misstatement.

Our conclusion applies to the information presented in the Report except for any planned or forecast financial and non-financial data, quantitative data for 2018-2021 as presented in Appendices to the Report Disclosure of quantitative indicators in the Climate Change Report of Norilsk Nickel Group and information not marked “Assured” in the column “Assured by the auditor” in Appendices to the Report Disclosure in accordance with TCFD guidelines (hereinafter - “Information in the Report”).

## Management's Responsibilities

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Management is responsible for the preparation and presentation of the Report that is free from misstatement in accordance with the applicable criteria, and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal control system relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. It also includes: determining the Group’s objectives in respect of climate performance and reporting; selecting applicable requirements of the standards used to prepare the Report; preventing and detecting fraud; identifying and ensuring that the Group complies with the laws and regulations applicable to its activities; selecting and applying appropriate policies; making judgments and estimates that are reasonable in the circumstances; maintaining adequate records in relation to the information included in the Report; ensuring that staff involved in the preparation of the Report is properly trained; information systems are properly updated and that any changes in the reporting system encompass all key business units.

## Our Responsibilities

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Our responsibility is to perform procedures to obtain evidence in respect of the Information in the Report and to report thereon in the form of a limited assurance conclusion regarding preparation of the Information in the Report in all material respects in accordance with applicable criteria and without material misstatement based on the evidence obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

ISAE 3000 requires that we plan and perform our procedures to obtain a limited level of assurance about whether the Information in the Report is prepared, in all material respects, in accordance with the applicable criteria (presented in the “Applicable Criteria” section of this report) and is free from material misstatement.

## Our Independence and Quality Management

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We have complied with the independence and ethical requirements established by the Russian *Rules on Independence of Auditors and Audit Firms* and the Russian *Code of Professional Ethics for Auditors* and by the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply the *International Standard on Quality Management 1*, which requires our organization to develop, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Procedures Performed

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The procedures selected, and our determination of the nature, timing and extent of these procedures is a matter of our professional judgment, including the assessment of risk of material misstatement during the preparation of the Report, whether due to fraud or error, our understanding of the Group's activities, as well as other engagement circumstances.

In making these risk assessments, we considered internal control system relevant to the Management's preparation of the Report in order to design procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Group's internal control.

Our engagement also included: assessing the appropriateness of the Information in the Report and the suitability of the criteria used by Management in the preparation of the Information in the Report in the circumstances of the engagement; evaluating the appropriateness of the methods, policies and procedures, used in the preparation of the Information in the Report and the reasonableness of estimates made by Management.

The procedures we developed based on the performed risk assessment are a combination of inspections, confirmations, recalculations, analytical procedures and inquiries.

Our procedures included, but were not limited to, the following:

- interviewing the Management and responsible employees of the Group's regarding internal procedures regulating the collection of data used in the preparation of the Information on the Report;
- assessment of the reasonableness and suitability of key assumptions;
- inquiries to obtain an understanding of operations impacting the Report;
- comparing the information presented in the Report with data from other sources to determine its completeness, accuracy and consistency;
- assessing the completeness of qualitative and quantitative information against the criteria used;
- recalculation of quantitative data and inspection of underlying documentation.

We conducted such procedures at the level of the following entities and branch of the Group, which were selected based on risk analysis using quantitative and qualitative criteria:

- Head office (PJSC Mining and Metallurgical Company Norilsk Nickel);
- the Polar branch (a branch of PJSC Mining and Metallurgical Company Norilsk Nickel);
- JSC NTEC;
- JSC Kola MMC;
- GRK Bystrinskoye LLC.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a

limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Applicable Criteria

The applicable criteria comprise relevant requirements and recommendations on the methodology for preparing the Report, as well as necessary reference information contained in the following documents:

- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)<sup>1</sup>;
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard<sup>2</sup>;
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories<sup>3</sup>;
- Principles International Council of Mining and Metals (ICMM)<sup>4</sup>;
- The Initiative for Responsible Mining Assurance (IRMA)<sup>5</sup>;
- Global Industry Standard on Tailings Management (GISTM)<sup>6</sup>;
- Requirements of independent ESG rating agencies (Ecovadis, Sustainalytics, MSCI ESG, CDP);
- Information Letter of the Bank of Russia No. IN-06-28/49 of 12.07.2021 "On Recommendations on the Disclosure by Public Joint Stock Companies of Non-Financial Information Related to the Activities of Such Companies"<sup>7</sup>;
- Order of the Ministry of Economic Development of Russia No. 267 of 13.05.2021 "On the Approval of Methodological Recommendations and Indicators on Adaptation to Climate Change"<sup>8</sup>.
- Order of the Ministry of Natural Resources and Environment of the Russian Federation of June 29, 2017 No. 330 "On Approval of Methodological Guidelines for the Quantitative Determination of the Volume of Indirect Energy Emissions of Greenhouse Gases"<sup>9</sup>;
- Order of the Ministry of Natural Resources and Ecology of the Russian Federation No. 300 dated June 30, 2015 "On Approval of Methodological Guidelines and Guidelines for Quantifying Greenhouse Gas Emissions by Organizations Engaged in Economic and Other Activities in the Russian Federation"<sup>10</sup>;
- Order of the Ministry of Natural Resources and Environment of the Russian Federation of May 27, 2022 No. 371 "On Approving Methods for Quantifying Greenhouse Gas Emissions and Sequestrations"<sup>11</sup>;

## Inherent Limitations

Greenhouse Gas quantification is subject to inherent uncertainty because of the incomplete scientific knowledge used to determine emission factors of different gases.

<sup>1</sup> Task Force for Climate-Related Financial Disclosures recommendations или TCFD

<sup>2</sup> Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard

<sup>3</sup> 2006 IPCC Guidelines for National Greenhouse Gas Inventories

<sup>4</sup> Principles International Council of Mining and Metals (ICMM)

<sup>5</sup> The Initiative for Responsible Mining Assurance (IRMA)

<sup>6</sup> Global Industry Standard on Tailings Management (GISTM)

<sup>7</sup> Information Letter of the Bank of Russia No. IN-06-28/49 of 12.07.2021 "On Recommendations on the Disclosure by Public Joint Stock Companies of Non-Financial Information Related to the Activities of Such Companies"

<sup>8</sup> Order of the Ministry of Economic Development of Russia No. 267 of 13.05.2021 "On the Approval of Methodological Recommendations and Indicators on Adaptation to Climate Change"

<sup>9</sup> Order of the Ministry of Natural Resources and Environment of the Russian Federation of June 29, 2017 No. 330 "On Approval of Methodological Guidelines for the Quantitative Determination of the Volume of Indirect Energy Emissions of Greenhouse Gases"

<sup>10</sup> Order of the Ministry of Natural Resources and Ecology of the Russian Federation No. 300 dated June 30, 2015 "On Approval of Methodological Guidelines and Guidelines for Quantifying Greenhouse Gas Emissions by Organizations Engaged in Economic and Other Activities in the Russian Federation"

<sup>11</sup> Order of the Ministry of Natural Resources and Environment of the Russian Federation of May 27, 2022 No. 371 "On Approving Methods for Quantifying Greenhouse Gas Emissions and Sequestrations"

## Conclusion

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Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed, as described in this report, and the evidence obtained, nothing has come to our attention that causes us to believe that the Information in the Report is not prepared, in all material respects, in accordance with the applicable criteria (presented in the section "Applicable Criteria" of this report) or is materially misstated.



Velichko Natalia Nikolaevna

JSC "Kept"

Moscow, Russia

December 6, 2023