

CORPORATE GOVERNANCE

How has the Company's corporate governance evolved over the past 20 years?

Improvement of the corporate governance framework is a process that has been invariably accompanying all key changes in the Company over the past 20 years.

Nornickel established the first committees under the Board of Directors in 2004, and in 2019, independent directors for the first time received the majority of seats in the collegial non-executive governance body.

Over these 20 years, the Board of Directors has approved more than 100 internal governance documents in line with international and Russian best practices, and considered more than 3,000 matters, including those pertaining to sustainable development.



CORPORATE GOVERNANCE FRAMEWORK

Corporate governance principles

Nornickel's corporate governance system is aimed at protecting the interests of the Company's shareholders, ensuring efficient and transparent operations of the Board of Directors and senior management, and building relationships with investors, employees, and other stakeholders.

In this domain, Nornickel is governed by the provisions of the Russian laws, recommendations of the Corporate Governance Code and information letters of the Bank of Russia, as well as the listing rules of the Moscow Exchange.

The key principles of corporate governance are reflected in Nornickel's Articles of Association, regulations on governance bodies and committees, Anti-Corruption Policy and other by-laws¹.

Our key corporate governance principles

<p>1</p> <p>Equitable and fair treatment of every shareholder</p>	<p>4</p> <p>Sound, bona fide and efficient management of the Company's day-to-day operations by executive bodies accountable to the Board of Directors and the General Meeting of Shareholders</p>	<p>6</p> <p>Strong business ethics</p>
<p>2</p> <p>Support for the shareholders to let them exercise their rights and lawful interests in the most reasonable and convenient manner</p>	<p>5</p> <p>Strategic management by the Board of Directors, its efficient control over executive bodies, and oversight of the risk management and internal control framework</p>	<p>7</p> <p>Zero tolerance to corruption</p>
<p>3</p> <p>Professionalism and leadership of the Board of Directors, and involvement of independent directors in governance</p>		<p>8</p> <p>Commitment to sustainability principles</p>
		<p>9</p> <p>Robust risk management and internal controls</p>
		<p>10</p> <p>Full, transparent, reliable and timely disclosure</p>

¹ The full versions of the documents are available on the [Company's website](#).

Share capital structure

As at the end of 2023, the authorised capital of Nornickel was made up of 152,863,397 ordinary shares with an aggregate market value of RUB 2,472 bn.

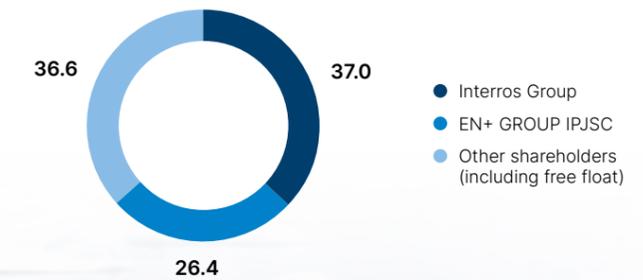
The Company's shares have been trading on the Russian market since 2001. Since 2014, the shares have been on the First Level quotation list of the Moscow Exchange (ticker: [GMKN](#)).

American depository receipts (ADRs) were also issued in 2001 and traded on the LSE OTC market (ticker: MNOD) and over the counter in the US (ticker: NILSY). In March 2022, trading in ADRs of Russian issuers was suspended on international exchanges, and on 23 May 2023, the ADRs were delisted from the London Stock Exchange.

152,863,397
ordinary shares
Nornickel's authorised capital as at the end of 2023

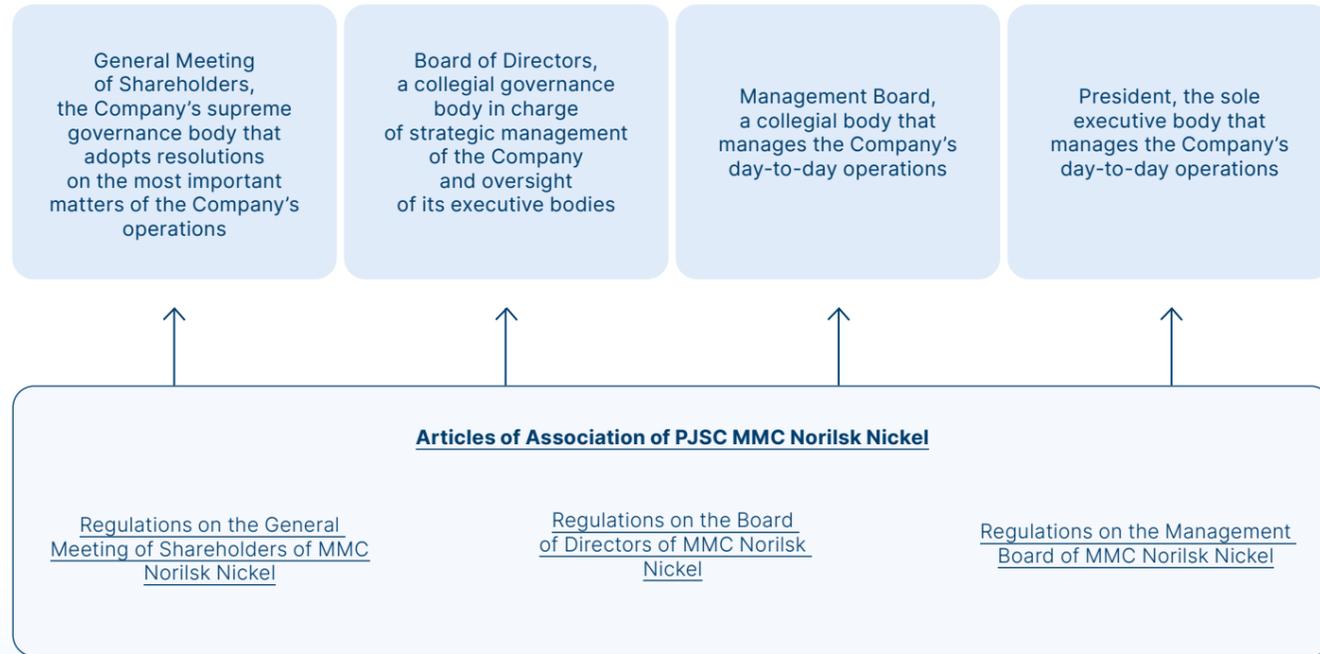
RUB 2,472 bn
aggregate market value

Share capital structure as at 31 December 2023, %



Governance bodies

GRI 2-9, 2-10, 2-11, 2-12, 2-13



Board of Directors

Members of the Board are elected at the Annual General Meeting of Shareholders for a period extending until the next Annual General Meeting of Shareholders. The Company has a transparent framework for evaluating nominees to the Board of Directors. All recommended nominees shall meet the qualification requirements set forth in the Company's Policy on Development and Approval of Vote Recommendations on Candidates Nominated to the Board of Directors¹.

13 members
the current size of the Board of Directors, which is best aligned with Nornickel's goals and objectives.

Key qualifications for nominees to the Board of Directors

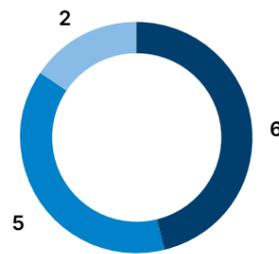
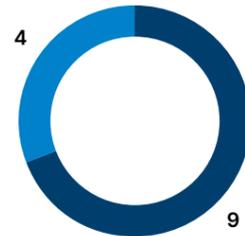
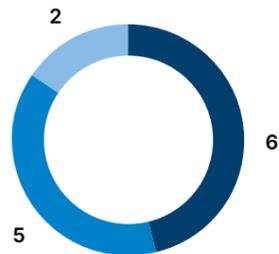
- Impeccable professional and personal reputation, excellent professional qualifications and understanding of the key principles underpinning the Company's business**
- Professional qualification, experience and skills aligned with the Company's current and expected needs**
- Interest in serving on the Company's Board of Directors, including availability of sufficient time to dedicate to their role as directors**
- Knowledge and understanding of all legal responsibilities related to Board service**
- No conflict of interest in any form**
- Service on the board of directors of no more than five other public companies at the same time**

Composition of the Board of Directors as at 31 December 2023²

Independent directors	Non-executive directors	Executive directors
<ul style="list-style-type: none"> Denis Alexandrov Sergey Volk Alexey Ivanov Irina Komarova Anton Sychev Evgeny Shvarts 	<ul style="list-style-type: none"> Sergey Batekhin Elena Bezdenezhnykh Andrey Bougrov Alexandra Zakharova Egor Sheibak 	<ul style="list-style-type: none"> Marianna Zakharova Sergey Malyshev

¹ The full version is available on the [Company's website](#).
² Marianna Zakharova holds the position of First Vice President, Corporate Governance, Asset Management and Legal Affairs, Sergey Malyshev is Senior Vice President – Chief Financial Officer. The other Board members hold no major positions within the Company. As at the end of 2023, the Board of Directors was chaired by Andrey Bougrov. For more details on members of the Board of Directors, please see the [Company's official website](#).

Composition of the Board of Directors as at 31 December 2023



- 35-50 y.o.
- 51-59 y.o.
- >60 y.o.

- Men
- Women

- Independent directors
- Non-executive directors
- Executive directors

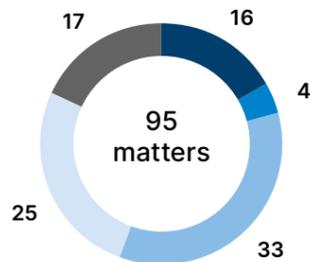
As at the end of 2023, the average age of the Board members was 53, while their average length of service on the Board was 4.8 years.

Four women are members of the collegial governing body (31% of all members). Going forward, the Company looks into ways to increase representation of women on the Board of Directors in line with the global practices.

As at 31 December 2022, the Board had six independent directors (46% of the total number), who provide professional unbiased opinion on all agenda items. The balanced composition in terms of independence ensures efficient decision-making in line with the interests of all stakeholders and improves the quality of managerial decisions.

GRI 2-12, 2-16

The Board of Directors meets as and when required, but at least once every six weeks.



- Economics and finance
- Social and environmental matters
- Corporate Governance
- Transaction approval
- Other matters

46 meetings held by the Board of Directors in 2023

100% attendance at meetings of the Board of Directors in 2023

115 resolutions adopted by the Board of Directors in 2023

95 matters were considered by the Board of Directors in 2023

At least once a year, the Company's top management reports to the Board of Directors on the Group's impact on the economy, environment, and people. On a quarterly basis, the Board of Directors

reviews the Company's financial results, operational performance, and OHS reports.

Members of the Board of Directors may request information and clarifications on the Company's operations, instruct the management on certain aspects

of sustainable development and monitor the implementation. Authorised executives are vested with powers and responsibilities to address economic, environmental and social matters and may delegate their powers to other employees based on their competences and functions¹.



¹ For more details on the split of responsibilities for key areas of sustainable development, please see the [Sustainability Management](#) section.

Director induction and training

GRI 2-17

Nornickel has in place the [Professional Development Policy for Members of Board of Directors](#).

It provides for an annual development programme for members of the Board of Directors. They also receive annual training in dealing with insider information.

Newly elected Board members undergo onboarding and attend a series of meetings with executives and key officers of the Company.

The Company also organises field sessions for its directors, which involve visits to the Company's production sites and meetings with heads of production units to address key issues locally. In September 2023, directors visited the Murmansk Region: at Severny Mine, members of the Board of Directors descended into the mine, discussed the prospects of production and development of the mine, initiatives to improve the efficiency of the Horizon-730 project; in the Pechengsky District, they attended the Kola superdeep borehole, the visitor centre of the Pasvik Nature Reserve, and the Second School Centre. In Monchegorsk, they saw the nickel electrolysis shop and cobalt production

facility, where they discussed issues related to the social situation in the team, management's attitude to safety, the Company's participation in the life of the local communities, and the development prospects of the areas where Nornickel operates.

Evaluation of the Board of Directors performance

GRI 2-18

Nornickel has the Performance Evaluation Policy for the Board of Directors developed in line with the Bank of Russia's Corporate Governance Code and best corporate governance practices.

The policy involves two types of evaluation: internal and external. The Company runs annual **internal evaluation (self-evaluation)** of the Board of Directors' performance in the form of an online questionnaire filled by each director based on a schedule approved by the Board of Directors. For each question there is a text field where directors may enter additional comments.

Following analysis of the questionnaires, the Corporate Governance, Nomination and Remuneration Committee prepares a report that contains information on the evaluation process, results, and recommendations aimed at improving

the performance of the Board of Directors and its committees, as well as professional development of individual members. Subject to the recommendations provided, the report is approved by the Company's Board of Directors. The recommendations are communicated to all stakeholders.

In 2023, in accordance with the recommendations, the Corporate Governance, Nomination and Remuneration Committee continued to consider issues related to human capital development and personnel motivation, and the Board of Directors' Strategy Committee continued to consider issues related to the Company's strategic development and implementation of major investment projects. Also in 2023, members of the Company's Board of Directors and management visited Kola MMC and its production sites.

An external independent assessment of the Board of Directors' performance is carried out at least once every three years. In 2021, the last external evaluation of the Board of Directors' performance was carried out by the Professional Directors Association¹.

Committees of the Board of Directors

For preliminary review of the most important matters and preparation of recommendations for decision-making on them, Nornickel has six committees of the Board of Directors. The Transactions Committee has been in place since 2023. The Committee operations, structure, functions and membership are defined by the respective Committee Regulations¹.

Key functions of the Board's Committees

GRI 2-9, 2-12, 2-13

Committee	Key functions
Audit Committee	<ul style="list-style-type: none"> Reviewing matters related to financial statements Overseeing risk management and internal controls Overseeing external and internal audits Preventing employee and third party wrongdoing Reviewing matters related to environmental safety, occupational health and safety
Strategy Committee	<ul style="list-style-type: none"> Preliminary review of matters pertaining to corporate strategy, investment planning, restructuring, and interaction with capital markets and government authorities
Budget Committee	<ul style="list-style-type: none"> Issuing recommendations to the Board of Directors in order to facilitate decision-making on the amount of dividends and on the record date to be suggested by the Board of Directors. Taking into account information on the Company's financial results Approving the Company's budget
Corporate Governance, Nomination and Remuneration Committee	<ul style="list-style-type: none"> Support in assessing, overseeing and improving Nornickel's corporate governance framework; succession planning for Nornickel's Board of Directors and Management Board; providing incentives, evaluating the performance of Nornickel's Board of Directors, Management Board, President, and Corporate Secretary, and setting relevant remuneration policies; supervising the development and implementation of Nornickel's information policy
Sustainable Development and Climate Change Committee	<ul style="list-style-type: none"> Integration of the sustainable development principles, including climate change, into the Company's operations Overseeing the development and implementation of a strategy on sustainable development and climate change Overseeing risk management and internal control in sustainable development and climate change Overseeing the Company's internal reporting and public disclosures on sustainable development and climate change Overseeing external audit of the Company's sustainable development and climate change reports and activities
Transactions Committee	<ul style="list-style-type: none"> Review of transactions requiring approval by a qualified majority of the Board of Directors

¹ For more details, please see Nornickel's [2022 Sustainability Report](#).

¹ The full versions of the documents are available on the [Company's website](#).

Composition of the Board's Committees as at 31 December 2023

The composition of the Board's committees is determined by resolution of the Board of Directors.

● Independent directors ● Non-executive directors ● Executive directors

Committee	Number of members	Chairperson	Composition
Audit Committee	5	Chaired by Alexey Ivanov (independent director)	<p>20% Independent, 80% Non-executive</p>
Budget Committee	5	Chaired by Egor Sheibak (non-executive director)	<p>40% Independent, 60% Non-executive</p>
Strategy Committee	5	Chaired by Denis Alexandrov (independent director)	<p>40% Independent, 60% Non-executive</p>
Corporate Governance, Nomination and Remuneration Committee	5	Chaired by Anton Sychev (independent director)	<p>40% Independent, 60% Non-executive</p>
Sustainable Development and Climate Change Committee	5	Chaired by Evgeny Shvarts (independent director)	<p>40% Independent, 60% Non-executive</p>
Transactions Committee	3	Chaired by Alexandra Zakharova (non-executive director)	<p>33% Independent, 67% Non-executive</p>

Executive bodies

GRI 2-13

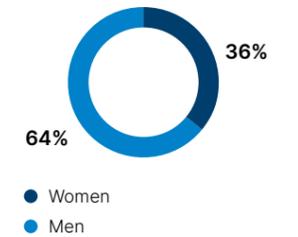
The President and the Management Board are the Company's executive bodies.

The President is elected at a General Meeting of Shareholders for an indefinite period and acts as the Chairman of the Management Board. In 2023, the position of the Company's President and Chairman of the Management Board was held by Vladimir Potanin.

As at the end of 2023, Vladimir Potanin had held the position of the President (CEO before 2015) for 11 years and 13 days.

The Management Board reports to the Company's Board of Directors and General Meeting of Shareholders and implements their resolutions. The remit of the Management Board members, who also hold the positions of Vice Presidents, includes the Company's impact on the economy, environment, and local communities.

11 members
the number of the Management Board members

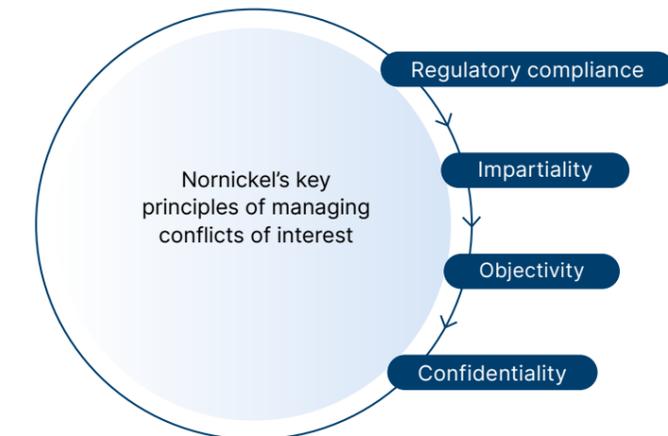


Prevention of conflict of interest

GRI 2-15

Measures aimed at preventing possible conflicts of interest of shareholders and members of the Board of Directors:

- transactions that meet the criteria for related-party transactions are executed in line with the procedure prescribed by the Russian laws on joint-stock companies;
- a special procedure applies to the approval of transactions with conflicts of interest involving holders of more than 5% of voting shares: such transactions are subject to approval by a qualified majority of the Company's Board of Directors (at least 10 out of 13 votes of the Board members) in accordance with the Company's Articles of Association;
- Nornickel's by-laws state that members of the Board of Directors shall refrain from engaging in any activities that may cause a conflict of interest, and, if there



is reason to believe such conflict may occur, notify the Corporate Secretary in writing;

- if a director has a direct or indirect interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before

the matter is considered or resolved and withdraw from any further discussions and voting on such matter;

- if a director has a direct or indirect personal interest in a matter submitted for consideration by the Board of Directors, they shall inform the Board of Directors accordingly before the matter is considered or resolved and withdraw from any further discussions and voting on such matter.

Remuneration

GRI 2-19, 2-20

Remuneration payable to non-executive governance bodies

The Board of Directors' annual remuneration is set out in the [Remuneration Policy for Members of the Board of Directors](#) approved by the General Meeting of Shareholders.

In 2023, the Annual General Meeting of Shareholders set the remuneration for the Chairman of the Board of Directors in the amount of USD 1 mln per year, paid on a quarterly basis in equal instalments in roubles at the exchange rate of the Bank of Russia on the last business day of the reporting quarter¹.

In accordance with international best practices in corporate governance, the Chairman of the Board of Directors shall not be a member of any committee of the Board of Directors². Should such a need arise, the Chairman of the Board of Directors will not be entitled to any additional remuneration.

Remuneration payable to executive governance bodies

Key principles and mechanisms of remunerations due to executives are set out in the Articles of Association, Regulations on the Management Board, and other by-laws³ of the Company. Nornickel's remuneration framework, including decisions on remuneration and reimbursement payable to the Company's President, is monitored by the Board of Directors.

Annual remuneration for non-executive directors

USD 120,000
base remuneration paid to the Board members

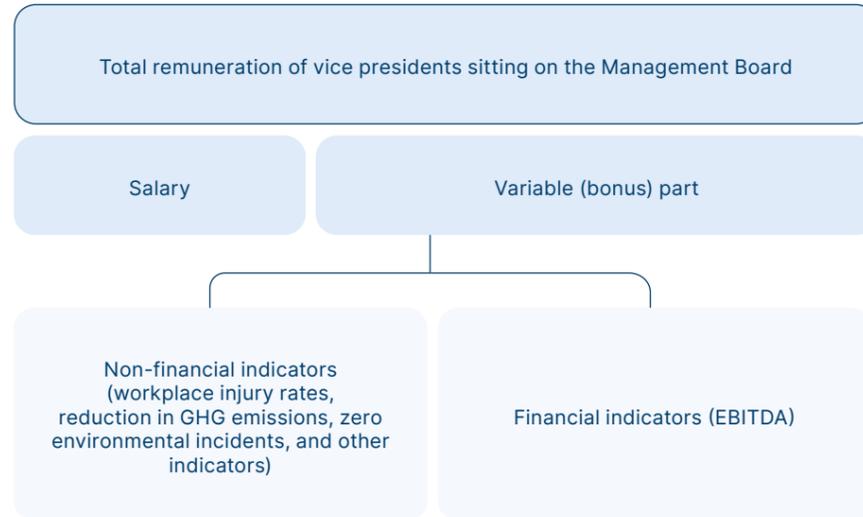
USD 50,000
additional remuneration for membership in a committee of the Board of Directors

USD 150,000
additional remuneration for chairing a committee of the Board of Directors

Reimbursement of expenses incurred by directors in discharge of their duties

Total remuneration of the President comprises base salary and bonuses. Based on the President's performance in the reporting year, the Board

of Directors resolves whether a bonus should be paid to the President of the Company or not.



➔ For details on sustainability KPIs approved for the Company's senior management, please see the [Sustainability Management](#) section

¹ This amount is after taxes withheld in accordance with the applicable Russian laws.

² As of the end of 2023, Andrey Bougrov was not a member of any committee of the Board of Directors.

³ The full versions of the documents are available on the [Company's website](#).

INTERNAL CONTROL AND RISK MANAGEMENT

Risk management framework

Key risk management objectives at Nornickel



The corporate risk management framework aligns with the principles and requirements of applicable laws and professional standards. Those include:

- Corporate Governance Code recommended by the Bank of Russia;
- GOST R ISO 31000-2019 (Risk Management. Principles and Guidelines);

- COSO ERM (Enterprise Risk Management — Integrating with Strategy and Performance);
- Recommendations on Risk Management, Internal Controls, Internal Audit and the Work of the Board of Directors' (Supervisory Board's) Audit Committee in Public Joint-Stock Companies¹.

Key by-laws setting out the core principles and components of the risk management framework, as well as the responsibilities of risk management units, include:

- MMC Norilsk Nickel's Risk Management Policy;
- MMC Norilsk Nickel's Risk Management Regulations.



¹ Appendix to Letter of the Bank of Russia No. IN-06-28/143 dated 1 October 2020.

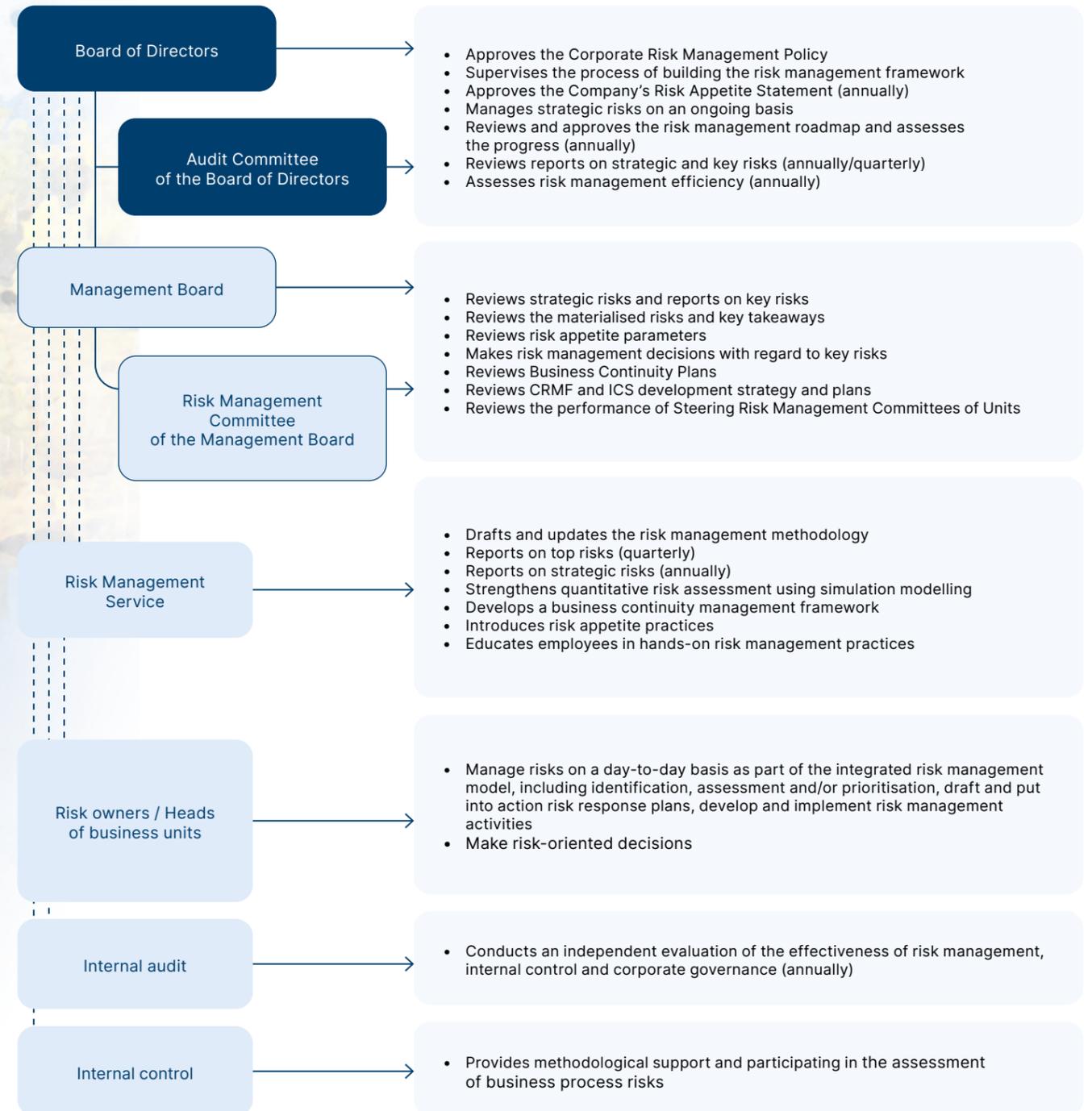
Nornickel regularly implements projects and initiatives to enhance and maintain the maturity of its risk management framework.

Initiatives to improve the risk management framework of Nornickel in 2023

Pilot automation of project risk management completed based on the existing GRC system, links between risks and relevant control procedures automated for the environmental risk group	Quantitative assessment completed with respect to the aggregate impact risks had on function specific strategies	Training materials prepared for project risk management
Concept for assessing long-term climate change risks developed as part of a project seeking to ensure compliance with the TCFD recommendations	Employees of Kola and Norilsk Divisions' companies trained in environmental risk management	Integration of risk management and budgeting processes continued using the automation opportunities offered by the GRC system
The Risk Management Committee and other dedicated committees continued to work on a regular basis	Tools for quantitative assessment of operational risks improved	Quantitative assessment completed with respect to the aggregate impact key risks had on the Company's 2024 budget, the budget's exposure to key risks evaluated, risk management initiatives included in the budget
The Company's risk appetite decomposed to lower levels of the corporate structure, monitoring of relevant financial and non-financial metrics put in place, process automation completed	The maturity of the risk management framework audited by an independent external expert, with the findings confirming a high level of maturity	Quantitative risk assessment of investment projects completed

Structure of Nornickel's corporate risk management framework

GRI 2-9, 2-12, 2-13, 2-16



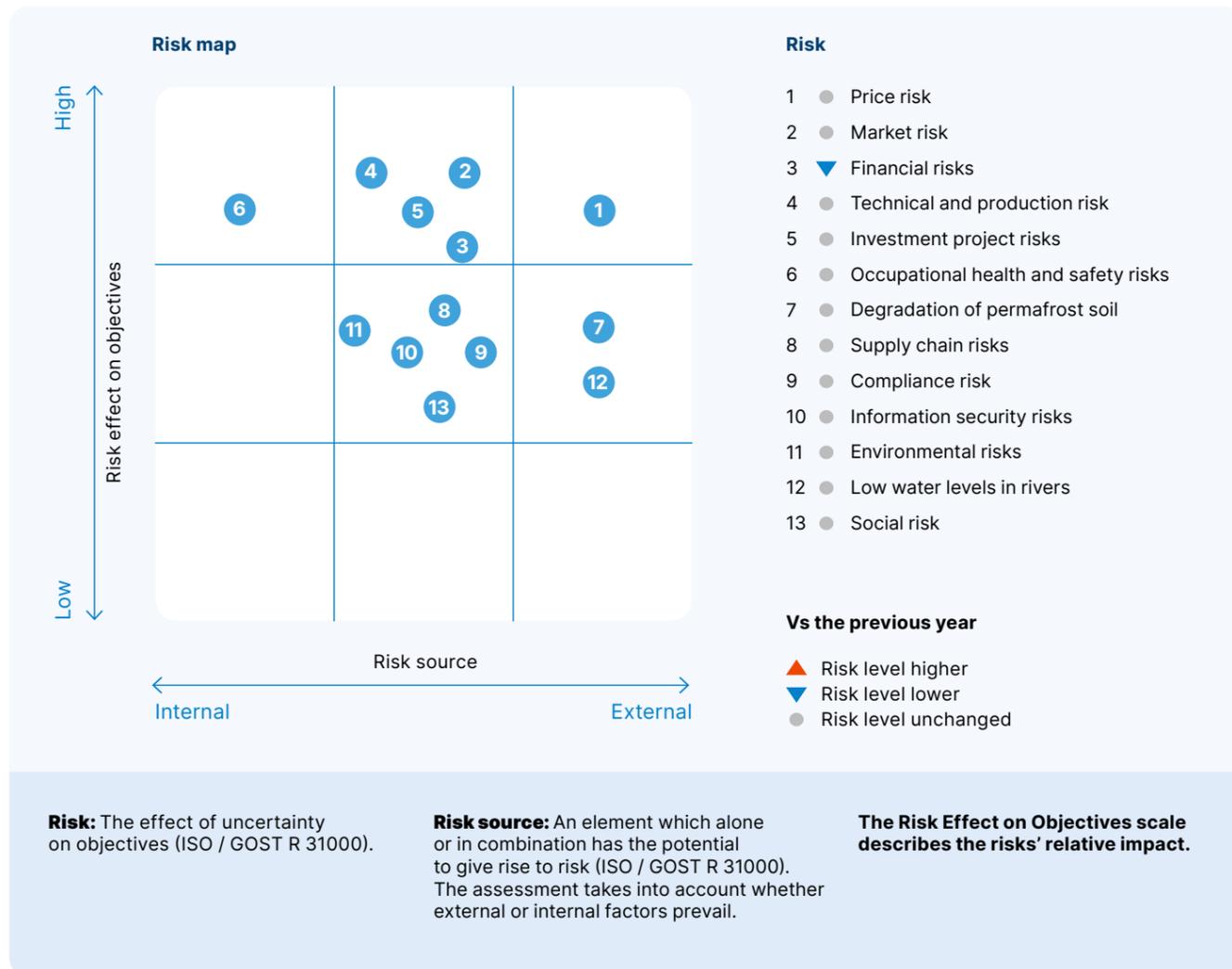
Management of sustainability risks

In 2023, the material risks of the Company related to achieving sustainable development goals included climate change, HSE, social and labour, and information security risks.

The most significant risks in terms of their impact on the Company's goals and sources are presented on the key risk map, which was developed in line

with international risk management standards (risks No. 4–13 are classified as sustainability risks).

Map of key risks, including changes in assessment introduced in 2023



Climate change risks

Nornickel is improving its procedures to manage climate change risks.

➔ For details on physical and transition risks, including guidelines on identifying and assessing such risks and available climate scenarios, please see the [Climate Change](#) section.

Insurance

Insurance is one of the most important tools for managing risks and finances and protecting the assets of Norilsk Nickel Group and its shareholders

against any unforeseen losses related to its operations, including due to external hazards.

The Group has a centralised insurance function in place to enforce compliance with uniform policies and standards under insurance programmes and to ensure continuous insurance coverage. The Company annually approves a comprehensive insurance programme that defines key parameters by insurance type and key project.

The Group developed and implemented a corporate insurance programme that covers assets, equipment failures and business interruptions, with the same

terms and conditions applied to all facilities of the core production chain. The principles of centralisation also underlie the Group's programmes for freight, construction and installation, and vehicle insurance, and third-party liability insurance of the Group's entities, directors, and officers.

Nornickel makes sure that its risks are underwritten. Our insurance policies are issued by Russia's largest insurance companies. To optimise terms of insurance coverage for the Group companies and better manage covered risks, we follow the best metals and mining industry practices.

Key risks of Nornickel and relevant mitigation initiatives

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<p>Price risk</p> <p>Potential decrease in revenue due to lower prices for metals produced by Nornickel subject to the actual or potential changes in demand and supply on certain metal markets, global macroeconomic trends, and the financial community's interest in speculative/investment transactions in the commodity markets.</p>	<p>Upgrade of existing and construction of new facilities to ramp up production of key metals and to maintain financial stability</p>	<p>The Company made an informed decision to assume price risk. To manage this risk, the Company:</p> <ul style="list-style-type: none"> continuously monitors and forecasts changes in key metals supply and demand; safeguards feedstock supplies for key customers through long-term contracts to supply metals in fixed volumes; as a member of the global Nickel Institute and the International Platinum Group Metals Association, works with other nickel and PGM producers to maintain and increase the demand for these metals; searches for new palladium applications



Market risk

Reduced ability of the Company's products to compete in the market may reduce their liquidity and result in sales at discounts to the market price and a decrease in the Company's income.

- ▲ Risk effect: **high.**
- Risk source: **combined.**
- Risk level change: **none**



Financial risks

The group of risks includes FX, interest rate and liquidity risks, as well as other risks associated with financing the Company's operations and investment activities.

- ▲ Risk effect: **high.**
- Risk source: **combined.**
- ▼ Risk level change: **decreased**

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Introduction of external trade restrictions by foreign regulators with negative implications for Norinickel's operations; • competition from producers of cheaper nickel; • changes in the intensity of transport electrification programmes, requirements imposed on metals and their forms; • higher market standards for ESG compliance and product quality 	<p>Upgrade of existing and construction of new facilities to ramp up production of key metals and to maintain financial stability</p>	<p>To manage this risk, the Company:</p> <ul style="list-style-type: none"> • monitors and reviews market requirements on product quality, product form and ESG compliance; • takes steps to support and boost demand for its key metals; • monitors transportation development trends by type of engine and requirements imposed on sourced metals; • diversifies its metal sales by industry and geography; • improves and diversifies its product range; • promotes cooperation with sectoral institutions to maintain access to relevant metal sales markets; • collaborates with Russian ministries and agencies to prevent/minimise negative impact from country-specific and international regulatory measures; • considers partnerships with key producers of cathodes for Li-ion batteries; • enters into strategic partnerships with car makers built on guarantees of long-term palladium supplies; • looks into partnerships that can boost demand for nickel in Russia; • fosters and promotes alternative PGM supply/trade platforms

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Increase in the cost of borrowing; • worsening market environment; • sharp fluctuations in FX rates against the Russian rouble; • inability to raise debt financing due to negative changes in financial market conditions; • inability to tap into the key segments of global financial markets (debt and derivative instruments), limited capacity of FX borrowing markets; • risk of major unforeseen expenses; • materialisation of the counterparty credit risk; • restrictions introduced by foreign regulators that might affect Norinickel's operations, its key partners and infrastructure agents 	<p>Balanced debt portfolio in terms of debt currency, maturity and funding sources.</p> <p>Upholding the Company's investment case</p>	<p>To manage this risk, the Company:</p> <ul style="list-style-type: none"> • maintains a balanced debt portfolio; • procures additional credit facilities denominated in Russian roubles to prevent liquidity shortages; • creates on-balance liquidity cushions to secure payments; • monitors the payment position, current cash gaps, and availability of balance sheet liquidity; • conducts regular scenario modelling for key risk events and develops preventive response plans; • continuously expands the pool of potential partner credit and financial institutions, and diversifies the settlement infrastructure; • uses different financial models subject to their purpose or objective, expands the assessment toolkit for financial risks (stress testing, reverse stress testing covering all financial risks and their factors to track their links/ combinations and correlations over time)



Technical and production risk

Technical and production risk relates to events that can be caused by technical, production-related, or natural factors that can have a negative impact on the progress of the production programme and result in equipment breakdowns or damage to third parties that will require compensation.

- ▲ Risk effect: **high.**
- Risk source: **combined.**
- Risk level change: **none**



Investment project risks

Risks associated with major investment project delays, budget overruns, and deviations from technological targets.

- ▲ Risk effect: **high.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Harsh weather and climatic conditions, including low temperatures, storm winds, snow load; • unscheduled stoppages of key equipment due to excessive wear and tear; • release of explosive gases and flooding of mines; • collapse of buildings and structures; • infrastructure breakdowns 	<p>Delivery against the metal production plan</p>	<p>To manage this risk, the Company:</p> <ul style="list-style-type: none"> • properly and safely operates its assets in line with the requirements of the technical documentation, technical rules and regulations as prescribed by the local laws across its footprint; • introduces ranking criteria and determines the criticality of key industrial assets; • timely replaces its fixed assets to ensure that production safety is at the required level; • rolls out a geotechnical monitoring system across operations to perform ongoing monitoring of its buildings and structures; • uses satellite monitoring of its facilities with subsequent analysis of the monitoring data; • introduces automated systems to control equipment process parameters, uses modern engineering control systems; • improves the maintenance and repair system; • trains and educates its employees both locally, on site, and centrally, through its corporate training centres; • systematically identifies and assesses technical and production risks, implements a programme of organisational and technical actions to mitigate such risks; • continuously monitors the current status of the industrial asset management system; • has risks reviewed by collegial bodies at all governance levels; • develops the technical and production risk management system, including by engaging independent experts to assess the system efficiency and completeness of data; • develops and tests business continuity plans outlining the steps that need to be taken by the Company's personnel and internal service providers where technical and production risks cause the largest possible damage. The plans aim to ensure that the Company resumes its production as early as possible; • annually engages independent surveyors to analyse the Company's exposure to disruptions in the production and logistics chain and assess related risks

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Changing forecasts of ore volume, quality and properties in the course of follow-up exploration; • changing implementation timelines for investment projects; • changes in the budgets of investment projects occurring in the course of their implementation; • changes in the technological targets of investment projects occurring in the course of their implementation 	<p>Strategic goal: development driven by Tier 1 assets.</p> <p>Growth of mining, concentration and metallurgical capacities.</p> <p>Enhancement of the resource base and upgrade of production units across the Company's Tier 1 assets</p>	<p>To manage this risk, the Company:</p> <ul style="list-style-type: none"> • performs proactive geological exploration and updates technological project indicators and the mining plan (long-term production plan) based on the current status of major investment projects developing the mineral resource base; • implements resource, geomechanical and hydrogeological modelling; • holds external audits of geological data; • develops the mining and geological information system; • models mining plans through the mining and geological information systems; • as part of the project assurance process, conducts internal audits (cross-functional expert review) of large investment projects at each stage in their life cycle; • improves project management incentives and enhances competencies (including through employee certification designed to identify areas for improvement and provide relevant training); • improves project management standards and upgrades project management tools; • rolls out successful pilots to all technically advanced and unique production units; • redesigns the projects and replaces providers of material and technical resources / services with suppliers from friendly countries subject to relevant sanction restrictions; • promotes NN Development as a dedicated corporate function integrating responsibility for capital construction projects; • transforms Gipronickel Institute to improve the quality of R&D and feasibility studies and to minimise their duration; • nurtures project management skills in project teams and facilitates knowledge sharing through regular project forums



Occupational health and safety risks

Failure to comply with the Group's occupational health and safety rules may result in threats to employee health and life, temporary suspension of operations and property damage.

- ▲ Risk effect: **high.**
- Risk source: **internal.**
- Risk level change: **none**



Degradation of permafrost soil (climate risk factor)

Loss of pile foundation bearing capacity may cause deformation of buildings and structures leading to their destruction.

- Risk effect: **medium.**
- Risk source: **external.**
- Risk level change: **none**

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Unsatisfactory organisation of operations; • process disruptions; • exposure to hazardous factors 	Occupational health and safety	<p>Pursuant to the Occupational Health and Safety Policy approved by the Company's Board of Directors, the Company:</p> <ul style="list-style-type: none"> • continuously monitors compliance with occupational health and safety (OHS) requirements; • improves working conditions for its own and contractors' employees deployed at the Company's production facilities, including by implementing new technologies and labour saving solutions and enhancing industrial safety at production facilities; • provides staff with certified modern personal protective equipment; • improves the system of fixed gas analysers and furnishes staff with portable gas analysers; • implements preventive healthcare measures and sanitary and hygienic practices to reduce the potential impact of hazardous and dangerous production factors; • provides its employees with regular training and instructions and assesses their performance in OHS, conducts corporate workshops, where, among other things, special simulation equipment is used; • strengthens the methodological framework in OHS, including by developing and introducing corporate standards; • improves the risk assessment and management framework at the Group companies and production facilities as part of the Risk Control project; • reviews the competencies of line managers at the Company's production facilities, develops OHS training programmes and arranges relevant training sessions; • holds OHS competitions; • provides all employees with updates on the circumstances and causes of accidents, conducts ad hoc themed instruction sessions; • introduces frameworks to manage technical, technological, organisational and HR changes

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Climate change, average annual temperature increase (over the last 15–20 years); • increased depth of seasonal thawing 	<p>Delivery against the metal production plan. Social responsibility: creating a safe and comfortable living environment for local communities in the Company's regions of operation.</p> <p>Prevention of interregional or federal emergency situations that might cause environmental damages</p>	<p>To manage this risk, the Company:</p> <ul style="list-style-type: none"> • regularly monitors the condition of foundation beds of buildings and structures; • runs geodetic control of changes in buildings' positions; • uses satellite monitoring of the Company's facilities with subsequent analysis of the monitoring data; • implements ongoing monitoring of the Company's buildings and structures and analyses the monitoring data to identify potential risks of deformations in the earth's crust, if any; • implements ongoing monitoring of the Company's buildings and structures by scaling up a corporate information and diagnostics system (including deployment of automated monitoring points to control parameters essential for the safe operation of buildings and structures); • monitors soil temperature and moisture at foundations of buildings and structures; • puts in place corrective actions and adaptation measures to bring buildings and structures into safe operating conditions



Supply chain risks

Supply chain disruption in existing transportation and logistics schemes.

- Risk effect: **medium.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Harsh physical and climatic conditions in the regions of operation; • transportation and logistics limitations; • higher inflation and exchange rates, pricing pressure from suppliers, improper planning and other factors; • non-compliance with sustainability principles on the part of suppliers; • improper performance of contractors 	<p>Delivery against the metal production plan.</p> <p>Timely shipments to customers</p>	<p>To mitigate supply chain risks, the Company:</p> <ul style="list-style-type: none"> • partners with domestic manufacturers to strengthen competition; • enters into long-term contracts/agreements and sets optimal fixed prices for equipment, materials and spare parts; • makes lists of critical equipment and materials suppliers, and takes steps to prevent supply disruptions and monitor said counterparties; • conducts due diligence of mineral suppliers in accordance with the Five-Step OECD Due Diligence Guidance; • runs the logistics expansion programme



Compliance risks

GRI 205-1

This risk relates to legal liability, significant financial losses, suspension of production, revocation or suspension of licences, loss of reputation, or other adverse effects arising from the Company's non-compliance with the applicable regulations, instructions, rules, standards and codes of conduct, or resulting from the application of sanctions and/or other penalties imposed by external regulatory authorities.

- Risk effect: **medium.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors	Goals and strategic areas of the Company related to the risk	Key mitigants
<ul style="list-style-type: none"> • Discrepancies in rules and regulations; • considerable powers and a high degree of discretion exercised by regulatory authorities; • regulatory instability; • market practices influenced by business ethics and country-specific 	<p>Ensuring compliance of Nornickel Group and its Russian entities with applicable laws, regulations, corporate standards and business practices</p>	<p>To mitigate compliance risks, the Company:</p> <ul style="list-style-type: none"> • develops and updates key internal regulations and guidelines in accordance with applicable laws, ensures compliance with such regulations and guidelines; • applies advanced practices to improve the compliance system; • ensures that its interests are protected during surveillance inspections or in administrative offence cases; • includes in contracts provisions protecting its interests; • checks the reliability of its counterparties, partners and suppliers before signing contracts with them; • raises employee awareness about the Company's compliance risk mitigation requirements and initiatives; • supports the operation of the Corporate Trust Line set up to handle reports of future or past cases of corruption, fraud, theft or other wrongdoings; • develops and maintains an antitrust compliance system; • assesses the performance of compliance control at Nornickel.



Information security risks

This group of risks includes, among other things, potential cyber crimes, potential unauthorised transfer, modification or destruction of information assets, disruption or lower efficiency of IT services, business, technological and production processes of the Company.

- Risk effect: **medium.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors

- Growing external threats;
- unfair competition;
- rapid development of IT infrastructure and automation of production and business processes;
- employee and/or third-party wrongdoings;
- remote/hybrid working models and engagement of remote workforce outside the regions of the Company's operation;
- limitations of operated protection tools

Goals and strategic areas of the Company related to the risk

Reducing the threats to information security and the risk of cyber attacks on the Company's information and automated process control systems

Key mitigants

- To mitigate information security risks, the Company:
- complies with applicable laws and internal regulations with respect to information security, personal data and trade secret protection, insider information, and critical information infrastructure;
 - categorises information assets and assesses information security risks;
 - raises employee awareness in information security;
 - replaces tools of information protection that have limited functionality;
 - protects assets using technical means and manages information access;
 - monitors threats to information security and the use of technical protection means, including vulnerability analysis, intervention testing, cryptographic protection of communication channels, controlled access to removable media, protection from confidential data leakages, mobile device management;
 - procures that the corporate information security management system is set up and duly certified;
 - takes measures to provide secure remote access



Environmental risks

This group of risks includes events that cause chemical substances to be present in the environment, as well as events that are not part of the approved production processes and outside of the Russian laws and regulations and affect the Company's achievement of its environmental protection goals.

- Risk effect: **medium.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors

- Non-compliance with environmental protection laws and regulations when running the Company's facilities;
- poor internal management and controls;
- failure to implement environmental protection programmes and activities on time;
- natural phenomena and climate-related events

Goals and strategic areas of the Company related to the risk

Ensuring compliance of operations with applicable environmental laws, regulations, corporate standards and business practices

Key mitigants

- To manage these risks, the Company:
- develops, implements and improves business processes to protect the environment and introduces best practices and approaches;
 - creates an incentive framework and develops employee expertise in environmental protection;
 - implements the Environmental and Climate Change Strategy;
 - implements environmental action plans of Norinickel Group and its Russian entities;
 - oversees compliance with environmental laws and regulations and implementation of programmes and activities on environmental protection



Low water levels in rivers

Water shortages in storage reservoirs of the Company's hydropower facilities may result in failure to achieve necessary water pressure at HPP turbines leading to limited power production and drinking water shortages in Norilsk.

- Risk effect: **medium.**
- Risk source: **external.**
- Risk level change: **none**

Key risk factors

- Abnormal natural phenomena (drought) caused by climate change

Goals and strategic areas of the Company related to the risk

Social responsibility: creating a safe and comfortable living environment for local communities in the Company's regions of operation.

Reducing the share of renewable energy consumption

Key mitigants

- To manage this risk, the Company:
- improves the efficiency of the closed water circuit to reduce fresh water withdrawal from surface sources (water bodies);
 - carries out regular hydrological examinations to forecast water levels in rivers and water bodies;
 - in cooperation with the Federal Service for Hydrometeorology and Environmental Monitoring (Rosgidromet) sets up permanent hydrological and meteorological monitoring stations to ensure more accurate water level forecasting in its regions of operation;
 - dredges the Norilskaya River at the water withdrawal sites to improve reliability during low water periods;
 - implements a comprehensive range of initiatives to improve equipment performance and the efficiency of production chains with a view to reducing water consumption;
 - replaced hydroelectric units at Ust-Khantayskaya HPP to increase power output through improving the performance of hydroelectric units



Social risk

The risk relates to increased tension among the workforce due to the deterioration of social and economic conditions in the Company's regions of operation.

- Risk effect: **medium.**
- Risk source: **combined.**
- Risk level change: **none**

Key risk factors

- Projects that have an impact on headcount/staffing;
- failure of some employees and/or third parties to share the Company's values;
- limited opportunities for annual wage indexation;
- dissemination of false and inaccurate information about the Company's plans and operations among the Group's employees;
- reallocation of spending on social programmes and charity

Goals and strategic areas of the Company related to the risk

- Social responsibility:
- partnership with regional and local authorities to develop social infrastructure required to create safe and comfortable living environment for local communities;
 - contribution to the professional and cultural development of employees and building of the talent pool in the regions of operation;
 - ongoing charity programmes and projects

Key mitigants

- To manage this risk, the Company:
- strictly abides by the collective bargaining agreements made between the Group's companies and employees (22 bargaining agreements in total);
 - interacts with regional and local authorities, and civil society institutions;
 - fulfils its social obligations under public-private partnership agreements;
 - runs programmes in accordance with its corporate social policy and the World of New Opportunities charitable programme to support and promote regional public initiatives, including those geared towards the indigenous peoples of the Taimyr Peninsula, and the Plant of Goodness corporate volunteering programme;
 - puts in place infrastructure to enable accelerated development and improved quality of life across the Company's regions of operation in cooperation with the Norilsk Development Agency, the Second School Centre for community initiatives in the Pechengsky District, and the Monchegorsk Development Agency;
 - implements regular social monitoring across the Group's operations;
 - conducts opinion polls among Norilsk's communities to learn more about their living standards, employment, migration trends and general social sentiment, and identify major challenges;
 - implements social projects and programmes aimed at supporting employees and their families, as well as the Company's former employees;
 - engages in dialogues with stakeholders and conduct opinion polls while preparing public sustainability reports of the Group;
 - implements a set of social support initiatives for the personnel facing redundancies as part of Kola MMC's social programmes and develops roadmaps for the social and economic development of the Pechengsky District

TAX STRATEGY

GRI 207-1

Approach to taxation

Nornickel strictly complies with all applicable tax laws of the Russian Federation and other countries of operation¹, while also paying taxes and making other statutory budget payments in a full and timely manner.

The Tax Strategy Policy of Nornickel Group is the key document governing all taxation aspects, including operations of the tax function of MMC Norilsk Nickel and its subsidiaries and management of tax burden and risks.

Nornickel is committed to openness and transparency in its taxation aspects. The Company discloses relevant information for stakeholders on its corporate portal and takes a zero-tolerance approach to non-transparent corporate structures used for tax avoidance.

Group companies use market prices in their reports on intra-group transactions submitted for tax purposes. In line with the applicable transfer pricing laws, the Group complies with the basic

principles set out in the Organisation for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and follows the laws and regulations of Russia and other countries of operation.

Nornickel takes a conservative approach to all controversial tax issues arising in all jurisdictions across the Group's footprint. The Group considers unacceptable any use of aggressive tax planning schemes.

¹ The Group's foreign entities interpret applicable tax legislation and resolve controversial tax issues independently.



Tax management at Norilsk Nickel Group

GRI 2-9, 2-12, 2-13, 207-2



The tax strategy is developed and monitored by the Head of the Tax Department, who reports to Nornickel's Senior Vice President and CFO. The Company's Management Board approves the tax strategy and critical amendments made to the strategy from time to time.

The Tax Department prepares and communicates internal regulations (guidelines, explanations, information mails) based on the current legislation,

arbitration practice, regulatory clarifications and other circumstances. If necessary, the Tax Department requests specific clarifications from competent authorities or a reasoned opinion of the tax authority required for the companies participating in tax monitoring.

Additionally, the Tax Department is responsible for managing the tax risks of the Group's Russian entities. Tax reassessment and penalty cost

risk factors, contingent tax liabilities, and the opinion of an external auditor confirming the accuracy of tax information are presented in the [Consolidated Statements of the Company for 2023](#).

Cooperation with tax authorities

GRI 207-3

The areas where the Group interacts with tax authorities include:

- exercising tax control;
- seeking clarifications on existing legislation;
- entering into pricing agreements.

Nornickel regularly interacts with tax authorities in the real-time mode through a tax monitoring system, which provides access to the Company's tax and accounting data.

In 2023, the tax monitoring platform evolved in terms of penetration within the Group, while also improving the user

friendliness of its interface, data quality and information exchange speed. This tool proves high automation of reporting and transparency of tax processes.

>97%
of the Group's turnover monitored by tax authorities in real time since 2023

60%
reduction in the number of tax audits

2x
decrease in the number of document requests with corresponding time savings

¹ For more details, please see the [Consolidated Statements of the Company for 2023](#).

CORPORATE SECURITY

How has the Company's corporate security evolved over the past 20 years?

Corporate security improvements are one of the key drivers behind the resilience of Nornickel's business processes: in 2007, the Company developed professional competence standards for security employees; in 2017, Nornickel oversaw the establishment of the Club of Information Security in Industry, a cross-industry association; in 2018, the Group approved its Information Security Policy, and contributed to the creation of the National Association of International Information Security and drafting of the Security Charter for Critical Industrial Facilities; finally, in 2019, the Company piloted a system of analytical situation centres, which is currently gaining significant momentum. Given current external challenges, we reviewed our approach to information security to reflect continued pivot towards technological sovereignty and transition to a service-based model.



To minimise the Company's exposure to a wide range of risks, Nornickel employs a comprehensive approach suggesting integration of corporate security components into all business processes.

Corporate security components



The Corporate Security Unit manages security issues within the Company, including by coordinating the work of different business units, navigating government relations, monitoring production facilities, preventing incidents, and implementing modern technologies. In 2023, the Corporate Security Unit set up a new function responsible for coordinating the operation of unmanned aerial vehicles and anti-drone activities. Establishment of no-fly zones over categorised corporate facilities will enable security units to protect (where necessary) facilities from drones using cutting-edge technical solutions.

Nornickel is developing a network of analytical situation centres operated through a single analytical software platform for aggregating and processing information required to ensure the security of key business processes. In early 2024, a new segment of the system was put into operation, with Kola MMC joining the Group's corporate security ecosystem.

The regulatory framework for corporate security is defined by the Russian laws, applicable international norms, internal standards and Nornickel's by-laws.

In accordance with the Policy on Countering Corporate Fraud approved by the Board of Directors in 2022, the Company takes consistent steps to prevent, detect and combat abuses, corporate fraud, and corrupt practices. In the reporting year, these activities included:

- embedding violation indicators (signs of price fixing arrangements, conflict of interest, lobbying procurement participants, unjustified restrictions) into the system ensuring the economic security of procurement activities to form a comprehensive basis for abuse prevention;
- upgrading the counterparty due diligence methodology;
- developing a course on combating corporate fraud and integrating it into the Group's employee training framework. This course was successfully completed by the current employees of the Company.

Furthermore, in 2023 we addressed corporate security concerns associated with the implementation of strategic investment projects seeking to protect the legitimate economic interests of the Company in contractor relations, HR and facility security.

A dedicated Centre for Chemical and Forensic Research and Expertise equipped with cutting-edge analytical equipment started operating

on fundamentally new premises to address important economic security issues at production facilities. This helped significantly expand the Centre's remit, enabling it to run a wide range of chemical and analytical tests to provide technical assistance to manufacturing, control and analysis units in assuring product quality, investigating the causes of emergencies at production sites, conducting in-depth chemical, mineralogical and structural research of materials and substances

used in the development of new concentration and metallurgical solutions, and in exercising special external control over the quality and accuracy of non-ferrous and precious metal analysis. The Centre developed a comprehensive methodology for analysing and identifying metal-bearing materials, which earned praise from the International Platinum Group Metals Association.

Nornickel actively collaborates with business partners, metals and mining companies, government authorities and other stakeholders to enhance its corporate security. In 2023, the Company participated in a meeting of the International Platinum Group Metals Association, won a prize at the R&D conference "Transport Safety Formula. Law. Knowledge", and implemented federal security regulations.

In 2023, more than 520 training exercises, 242 joint drills and 22 dedicated tactical drills were held to ensure a high level of facility security workforce and equipment preparedness.

Ensuring information security

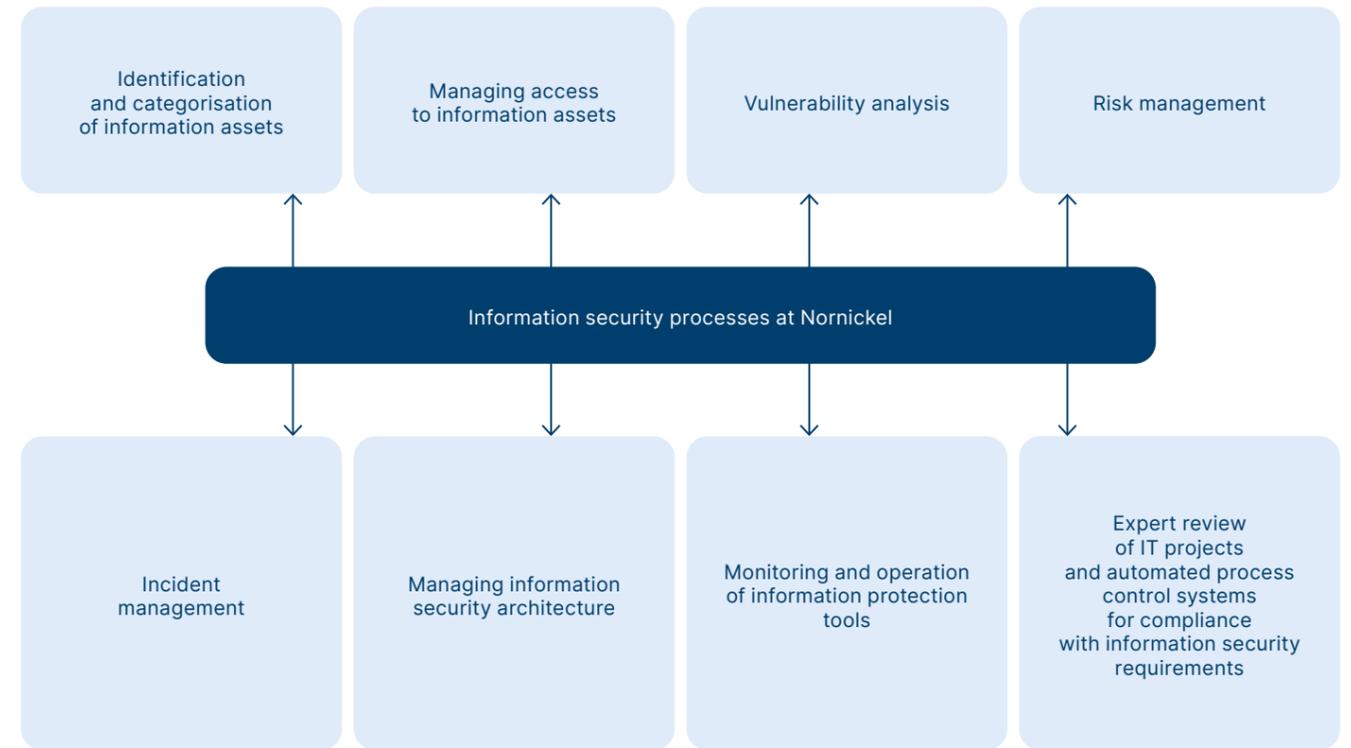
In 2023, the Company analysed existing external challenges and current trends in the Russian market to review its information security approach. Among other things, Nornickel reorganised its information security function, while also drafting and approving a strategy for its further development, which suggests continued pivot towards import substitution of information security solutions and transition to a service-based model.

Nornickel Sfera, the Company's subsidiary, possesses extensive technical competencies across core information and process security areas, and offers a full range of key services to the Group's facilities.

The Company takes consistent steps to protect the process infrastructure of its production sites and to mitigate risks. With cyber attacks increasingly numerous and sophisticated and some employees

continuing to work from home, additional measures are required to ensure the information security of corporate resources and infrastructure.

The Company has implemented all the necessary information security processes.



The operation of the Information Security Management System (ISMS) is governed by the Company's internal regulations (MMC Norilsk Nickel's Information Security Policy, information security guidelines and standards) in line with best global practices.

Nornickel's priority in ensuring the security of automated process control systems is implementing basic protection measures (tools and systems) at the greatest possible number of facilities and production sites equipped with automated process control systems. In the reporting year, the emphasis was placed on using domestic solutions.

The 2023 internal audit praised the information security function for its achievements in protecting automated control systems. The audit recommendations are expected to be implemented in 2024.

Cyber incidents are yet another focus area in the domain of information security. In order to deal with cyber incidents, the Company uses cutting-edge technical solutions, and keeps abreast of domestic and global cyber defence practices. Relevant procedures are regularly tested (at least once a quarter) to assess Nornickel's preparedness to respond to modern cyber attacks. Any employee who detects suspicious content or activity on corporate devices can report it to the information security function. Experts assess the possible negative impact on the Company's information systems and takes measures to prevent and eliminate the consequences of incidents.

New vulnerability management strategies were drafted and rolled out in the reporting year.

They seek to counter new types of attacks and provide for the continuous protection of the Company's systems, including by implementing the DevSecOps strategy focused on ensuring security throughout the software development lifecycle.

Personal data (including third party data) is protected in accordance with applicable Russian laws. The security experts employ a comprehensive range of organisational and technical tools, including anti-virus protection, prevention of information leaks, control of removable media, analysis of security events, and personnel training to raise awareness about compliance with personal data requirements. In 2023, personal data processing was aligned with the latest legal requirements and internal regulations.



Information security highlights for 2023

>6,000

audits conducted in response to information security grievances submitted by the Company's employees

>18,000

information security events handled



57

operated systems

underwent vulnerability analysis, with bottlenecks identified and remedies proposed

13

Group companies

aligned personal data processing with relevant legal requirements and internal regulations



ISO/IEC 27001:2013

Nornickel's Information Security Management System complies with ISO/IEC 27001:2013.

In 2023, five of Nornickel's sites confirmed the high efficiency of their information security management processes:

- Murmansk Transport Division;
- Kola Mining and Metallurgical Company (Kola Division);
- Nadezhda Metallurgical Plant (Norilsk Division);
- Copper Plant (Norilsk Division);
- Talnakh Concentrator (Norilsk Division).

The external auditor noted strong involvement of the management in the ISMS processes and preparedness of the facilities to respond to new threats and challenges.

A series of audits is planned for 2024 as part of transition to ISO/IEC 27001:2022.

Information security training

Raising employee awareness about data protection and digital hygiene is an important element of the information security management system pursuant to the Company's internal regulations¹. In 2023, Nornickel set a goal to enhance the culture of information security across the Group.

All new employees are familiarised with by-laws governing information security requirements and undergo additional induction training.

Every year the staff takes courses on the latest cyber threats and risks.

In 2023, there were about 95 scheduled and 19 unscheduled e-learning training sessions and on-site lectures for 34,104 Group employees.

Furthermore, the Company arranges regular drills dealing, among other things, with simulated phishing attacks and other user threats. The drill results are used to update employee instructions.

In addition, there are regular newsletters to inform the staff about current information security threats and digital hygiene rules.

34,104

Group employees completed training sessions in 2023

Stakeholder engagement on information security

The Club of Information Security in Industry established at the initiative of Nornickel serves as a venue for sharing best practices and experiences in the realm of information security, and engaging in a public-private dialogue on relevant regulations. By the end of 2023, the Club had over 70

Russian companies as its members. The agenda covers the pressing issues of ensuring cyber security for businesses in the face of new challenges and threats.

In an attempt to give a boost to the information security market for the industrial sector, the Company held

meetings with developers and vendors of information security products and services, and entered into strategic partnership agreements with some of them.

¹ Rules of Raising Awareness in Information Security of MMC Norilsk Nickel.