

# IMPROVING GOVERNANCE

The proportion of independent directors on the Board is in line with the Listing Rules of PJSC Moscow Exchange and ensures that the Board incorporates the views of all stakeholders and its decisions are unbiased

# 46.2%

Proportion of independent directors in 2023



## CORPORATE GOVERNANCE

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# Chairman's letter



## Strengthening corporate governance has always been top of mind for Nornickel.

Our Board of Directors believes compliance with the key principles and recommendations of the Bank of Russia's Corporate Governance Code to be a prerequisite for better governance at the Company, unlocking long-term and sustainable growth.

In 2023, Nornickel maintained its focus on maximum transparency by disclosing financial and non-financial information as a matter of course.

In particular, Nornickel released its public climate report in the run-up to the UN Climate Change Conference. Although this is our first specialised report, this type of work is nothing new to us, having disclosed our climate efforts in annual sustainability reports since 2016. In 2023, we also published our first-ever standalone reports on human rights and responsible mineral supply chain.

Nornickel further expanded its engagements with all stakeholders. For instance, our already traditional open online dialogues between Company employees and management have once again proven themselves invaluable. Employees received exhaustive replies to their questions from Nornickel management, while the Company received employee feedback via online surveys on a wide range of pressing topics.

Nornickel has considerably stepped up its engagements with Russian retail investors. In 2023, the number of individual Nornickel shareholders topped 400 thousand

**>400  
THOUSAND**

individuals own Nornickel shares

for the first time ever. In 2019, this figure only sat around 62 thousand. The Company runs road shows and educational events for retail investors, and organises on-site visits to its production assets for investors and analysts. Finally, to accommodate our shareholders, we have decided to do a share split to boost our stock's liquidity and make our shares more accessible to a wider range of retail investors. We believe that this move will contribute to further expansion of Nornickel's shareholder base and the growth of the Russian stock market more broadly.

Nornickel has further strengthened its long-standing partnerships with the indigenous peoples of the North by setting up a specialised department within the Norilsk Division responsible for liaising with them. We also continue delivering on our RUB 2 billion, five-year support programme for the indigenous peoples of Taimyr.

Last year, Nornickel entered into a number of partnership agreements – including with the Federal Environmental, Industrial, and Nuclear Supervision Service of Russia (Rostekhnadzor); IT companies; and leading research institutions and universities – to reinforce its competences in industrial safety and information security; develop big data

**46.2%**

Proportion of independent directors

management tools and AI solutions; implement research projects, including on nature and climate change in the Arctic; deploy production innovations; drive digitalisation; train qualified talents for the Company; and so on.

In 2023, two General Meetings of Shareholders were held via an easy-to-use and reliable e-voting service. This service enables shareholders to vote regardless of their location, with more and more shareholders taking part in the meetings as a result.

The composition of Nornickel's Board of Directors meets Russian and global best practices in corporate governance. All 13 Board members enjoy an impeccable business reputation and recognition. In 2023, the Board was 46.2% independent, which is in line with the Listing Rules of Moscow Exchange and ensures that the Board factors in the views of all stakeholders and its decisions are unbiased.

A 2023 audit of Nornickel's corporate practices shows that the majority of them are compliant with the principles and recommendations of the Bank of Russia's Corporate Governance Code. Last year, Nornickel focused on improving the quality of counterparty due diligence for corruption risks. Along with training and educating staff on our anti-corruption efforts,

**AAA+++**

Nornickel's score in the Anti-corruption Ranking of Russian Business

we strive to get feedback from our employees on whether these efforts are effective. In 2023, Nornickel's leadership in corporate governance was confirmed after it received an AAA+++ in the anti-corruption rating of Russian Business, which is assigned to companies that have in place the most stringent anti-corruption safeguards.

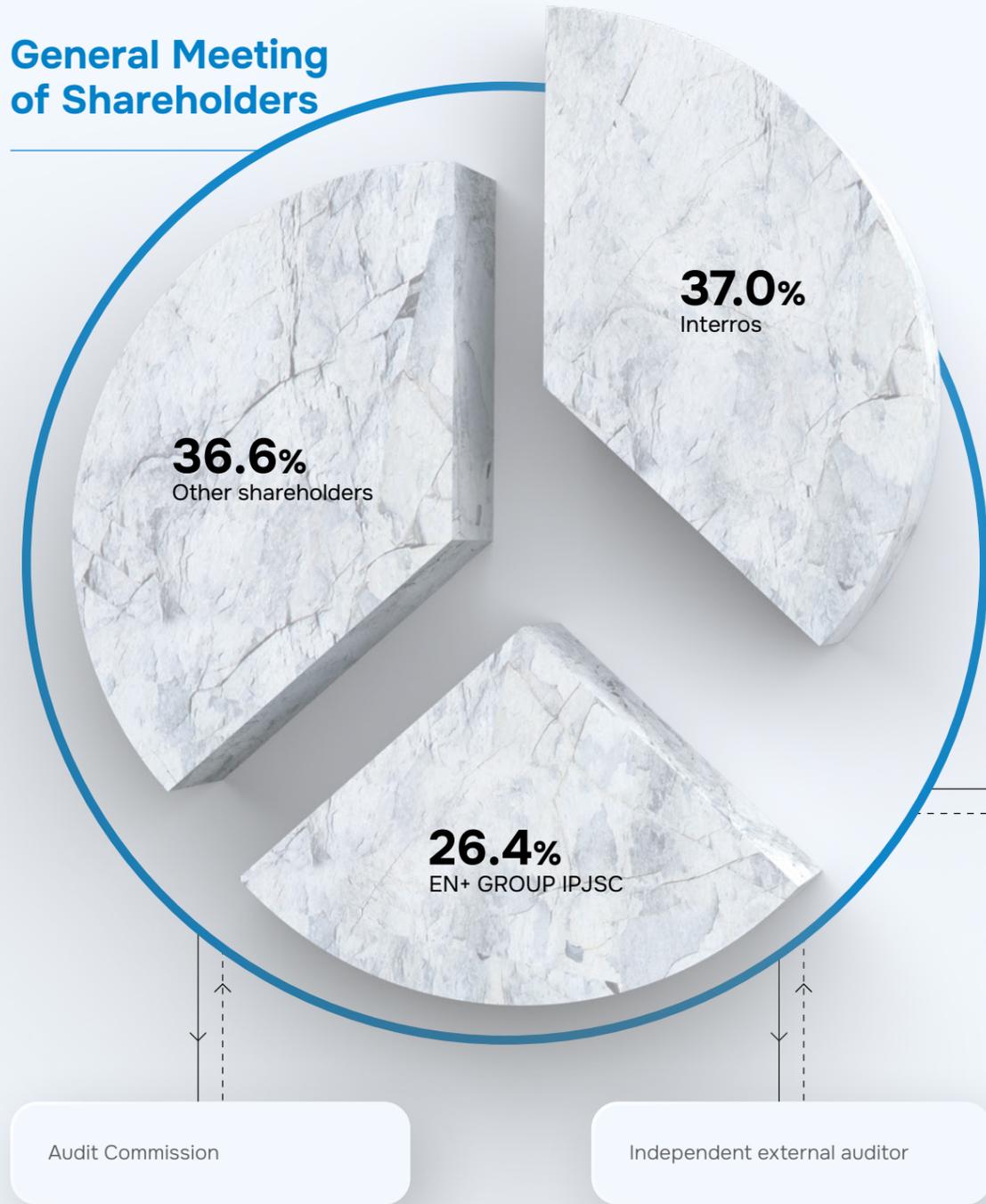
Nornickel successfully hit its goals for 2023, while changes made and measures taken during the year have helped us maintain our leadership in the Russian and global markets and retain our appeal to investors. Understanding the importance of the work that stands before us, Nornickel will continue making every effort to deliver results while the experience and expertise of Company employees, management, and shareholders will drive our strong performance, steadily strengthen our corporate culture, and boost our competitive growth.

**Andrey Bougrov**  
Chairman  
of the Board of Directors  
MMC Norilsk Nickel

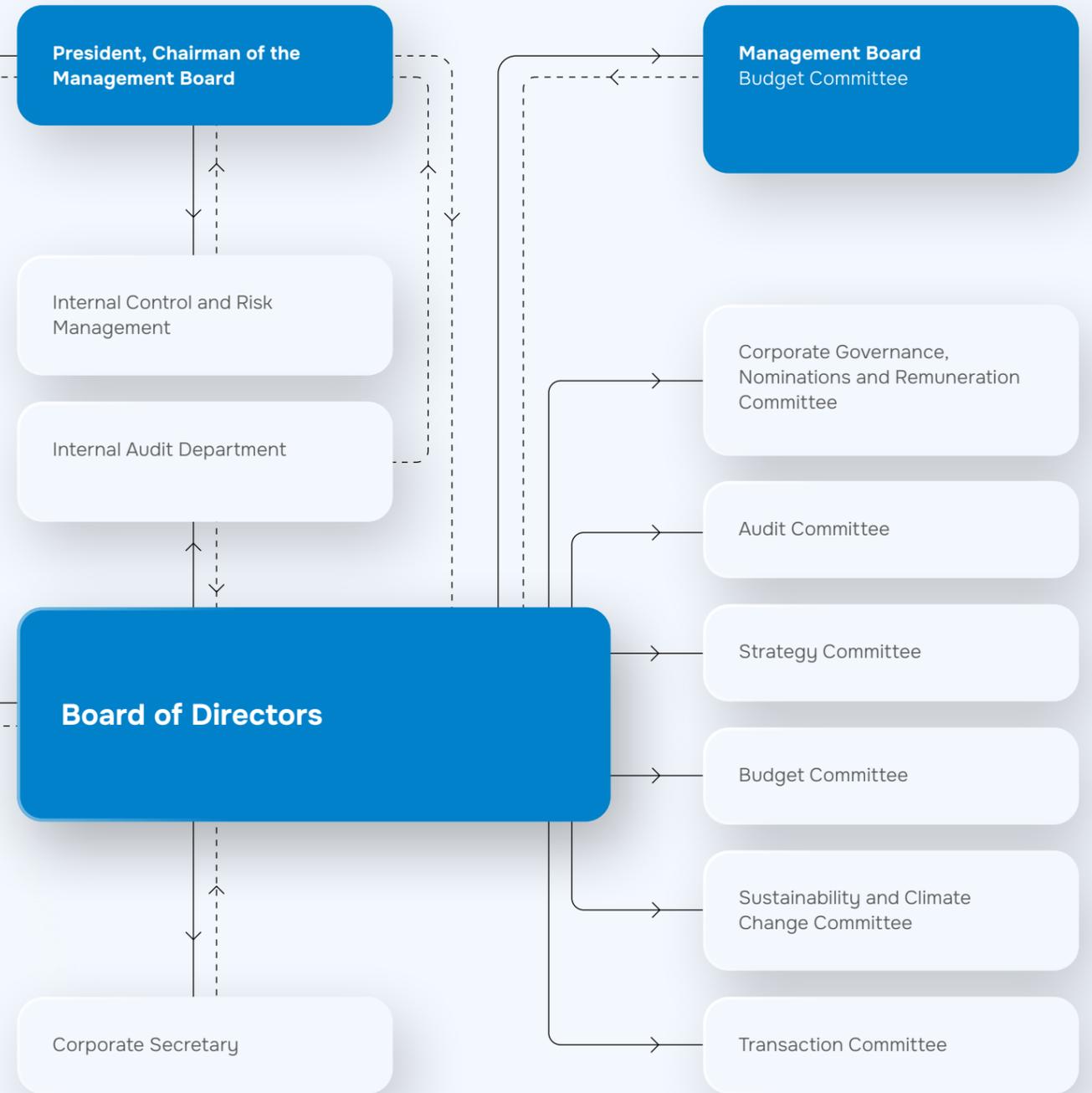
# Corporate governance system

## Corporate governance structure

### General Meeting of Shareholders



→ Reporting    - - - Election/appointment



## Key principles

In its corporate governance practice, Nornickel is governed by applicable Russian laws, the Listing Rules of Moscow Exchange, and the Corporate Governance Code recommended by the Bank of Russia.<sup>1</sup>

1 Nornickel's corporate governance system is designed to balance the interests of its shareholders, the Board of Directors, management, and employees as well as other stakeholders.

### Key corporate governance principles

1. Equitable and fair treatment of every shareholder
2. Enabling shareholders to exercise their rights and legitimate interests in the most reasonable and convenient manner
3. Professionalism and leadership of the Board of Directors, and involvement of independent directors in governance
4. Strategic management by the Board of Directors, its efficient control over executive bodies, and oversight of the risk management and internal control framework
5. Sound, diligent, 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
6. Strong business ethics
7. Zero tolerance for corrupt behaviour
8. Full, transparent, reliable, and timely disclosure of information by the Company
9. Robust internal control and risk management framework
10. Adherence to sustainability principles

## Corporate governance performance

During 2023, the Company approved a number of internal documents in corporate governance.

Following an amendment to the Bank of Russia's Regulations No. 714-P dated 27 March 2020,<sup>2</sup> the Company updated its internal document defining the procedure for interaction between its units when disclosing information.

In the reporting year, a number of documents were developed and approved to enhance the anti-corruption compliance system by setting out approaches to the implementation of anti-corruption measures at the Company. Specifically, in March 2023, the Company approved

the procedure for activities aimed at surveying employees on corruption and the effectiveness of current anti-corruption measures at the Company. In October 2023, the Procedure for Informing Employees about Anti-corruption Measures in Place at the Company was approved, setting out the types, forms, and frequency of training and awareness activities. To boost the performance of counterparty due diligence, the Procedure for Interaction between the Company's Relevant Units Involved in Counterparty Due Diligence and the Assessment of Corruption Risks was approved in March 2023, setting out the timelines, principles, and focus areas for collaboration as well as mechanisms for identifying corruption.

In addition, the Regulations on Business Gifts at the Head Office were updated, and a brief memo for Company employees on the requirements for giving and receiving business gifts was developed.

Following an amendment to the Bank of Russia's Ordinance No. 5946-U<sup>3</sup> dated 27 September 2021, a new list of the Company's insider information was approved. The list was supplemented with new types of insider information. Besides, amendments were made to the procedure for determining the size of a transaction where information about the consent to or subsequent approval of such transaction by the issuer's Board of Directors is deemed insider information.

<sup>1</sup> The Bank of Russia's Letter No. 06-52/2463 On the Corporate Governance Code, dated 10 April 2014.

<sup>2</sup> The Bank of Russia's Regulations No. 714-P On Information Disclosure by Issuers of Issue-Grade Securities, dated 27 March 2020.

<sup>3</sup> The Bank of Russia's Ordinance No. 5946-U dated 27 September 2021 On the List of Insider Information of Legal Entities Specified in Clauses 1, 3, 4, 11, and 12, Article 4 of Federal Law No. 224-FZ dated 27 July 2010 On Countering the Misuse of Insider Information and Market Manipulation and Amendments to Certain Legislative Acts of the Russian Federation, as well as on the Procedure and Timelines for Its Disclosure.

In 2024, the Company intends to continue its efforts to improve the quality of its corporate governance system and take further steps to implement and test the approach to corruption risk management, in particular, to approve an internal document on corruption risk assessment.

## Compliance with the Corporate Governance Code

Nornickel's corporate governance standards embedded in its activities are based on the principles and recommendations of the Bank of Russia's Corporate Governance Code (the "Code"), and the Company continues to consistently incorporate and implement them.

The Company's compliance with the Code's principles and recommendations in 2023 was evaluated using a format recommended by the Bank of Russia's Letter No. IN-06-28/102 dated 27 December 2021.

Nornickel's corporate practices cover most of the Code's principles and recommendations. In case of partial non-compliance, the Company provides an appropriate

explanation and description of the corporate governance mechanisms and tools used by it instead of those recommended by the Code.

🔗 For the full 2023 Code Compliance Report, including comments, please see [an Appendix to this Annual Report](#).

### Compliance with the Corporate Governance Code recommendations in 2023

| Corporate governance principles   | Full compliance |           |           | Partial compliance |           |           | Non-compliance |          |          |
|---|-----------------|-----------|-----------|--------------------|-----------|-----------|----------------|----------|----------|
|   | 2021            | 2022      | 2023      | 2021               | 2022      | 2023      | 2021           | 2022     | 2023     |
| Rights and equal opportunities for shareholders in exercising their rights      | 9               | 10        | 10        | 4                  | 3         | 3         | –              | –        | –        |
| Board of Directors  | 28              | 25        | 27        | 8                  | 11        | 9         | –              | –        | –        |
| Corporate Secretary   | 2               | 2         | 2         | –                  | –         | –         | –              | –        | –        |
| Remuneration system for members of the Board of Directors and senior management | 6               | 7         | 7         | 4                  | 3         | 3         | –              | –        | –        |
| Risk management and internal control framework                                  | 5               | 5         | 5         | 1                  | 1         | 1         | –              | –        | –        |
| Company disclosures   | 4               | 4         | 4         | 3                  | 3         | 3         | –              | –        | –        |
| Material corporate actions  | 3               | 3         | 3         | 2                  | 2         | 2         | –              | –        | –        |
| <b>TOTAL</b>  | <b>57</b>       | <b>56</b> | <b>58</b> | <b>22</b>          | <b>23</b> | <b>21</b> | <b>0</b>       | <b>0</b> | <b>0</b> |

## Stakeholder engagement

To achieve operational excellence and further improve corporate governance, Nornickel is strongly focussed on engaging its stakeholders in corporate governance, taking their needs into account when making important decisions.

At the end of the reporting year, Nornickel published its first climate change report. The Company disclosed its initiatives around climate action and climate change adaptation from 2021 to date, the development of its risk management system, and the resilience of the Company's strategy in three climate scenarios. The report was prepared in line with the TCFD<sup>1</sup> recommendations and was verified by Kept, a professional audit firm. The report allows the Company to be as transparent as possible with all its stakeholders about the way it adapts to climate change and the measures it takes to reduce its contribution to climate change. In addition, the report discloses the way changes in the global economy in three climate scenarios will affect demand for the Company's products and its financial performance until 2050.

A well-built and clear corporate governance framework which is transparent for both Russian and foreign shareholders and investors as well as active stakeholder engagement directly affect investment decisions and the price of the Company securities.

### Dialogue with investors

The Company is committed to making mandatory disclosures in line with global best practice. To make its disclosures more meaningful and comprehensive, Nornickel uses an array of disclosure tools, including press releases, presentations, annual and sustainability reports, issuer reports, corporate action notices, and interactive tools. Nornickel ensures parallel disclosure of all material information both in Russian and English.

Nornickel's quarterly disclosures made via its official website include its operating results and RAS financial statements. IFRS financial statements are released on a semi-annual basis. To maintain strong investor relations, the Company makes extensive use of various communication tools, including conference presentations, road shows, site visits for investors and analysts, etc.<sup>2</sup>

🔗 [For more details on investor relations, please see the Shareholders relations section of this Annual Report.](#)

### Dialogue with employees

The Company regularly runs already traditional open online conferences between employees and senior management to identify strengths and weaknesses in communication and improve corporate governance.

Production upgrades and ambitious investment projects all transform the approaches to work, routines, sustainability, safety, and environmental protection. To retain its leadership in the market, the Company needs to address newly emerging challenges, which is impossible without employee involvement. During the Nornickel Live annual broadcast, Nornickel's vice presidents answered employee questions and discussed the Company's news and future plans. Specifically, 16 March 2023 saw another Direct Line live broadcast, with top management fielding questions from Nornickel employees. The key topics discussed were social support, safety culture, and remuneration system.

Effective communication channels between management and employees and an open information environment help build trust, reduce stress, and increase employee engagement.

<sup>1</sup> Task Force on Climate-related Financial Disclosures.

<sup>2</sup> Information on upcoming events is posted in the IR Calendar on the Company website.

On 16 March 2023, another Direct Line live broadcast took place, with top management fielding questions from Nornickel employees. The key topics discussed were social support, safety culture, and remuneration system.



### Partnerships and cooperation

In February 2023, Polar Lithium, a joint venture between Nornickel and ROSATOM, obtained a subsoil licence for the Kolmozerskoye lithium deposit, the largest in Russia. The Kolmozerskoye deposit development project located in the Murmansk Region.

Partners plan to set up a 45 ktpa lithium carbonate and hydroxide production facility which will create new jobs and ensure the substitution of imported lithium raw materials. The facility's products will be used, among

other things, in the production of batteries, an industry now booming both in Russia and globally.

In July 2023, **the Company and VK signed a cooperation agreement to jointly develop IT solutions** for the metals industry, providing for collaboration around cloud computing, virtualisation of IT infrastructure, and the development of multipurpose platforms and portals, big data management tools, and artificial intelligence (AI) technologies. Services around employee collaboration at a metals company, secure corporate communications, and career development are a separate focus

**45 КТРА**

Output of lithium carbonate and hydroxide targeted by the Kolmozerskoye deposit development project

<sup>1</sup> Information on upcoming events is posted in the IR Calendar on the Company website.

for the partnership. The two partners look to develop Internet of Things technologies and industry-specific geographic information services.

In September 2023, **Nornickel and Kaspersky signed a cooperation agreement**, which will enable Nornickel to improve its information security and protect its corporate and industrial infrastructure.

Besides, in November 2023, **Nornickel signed a cooperation agreement with Security Vision, one of Russia's largest providers of information security solutions**. The partnership aims to strengthen the protection of industrial information systems and data to ensure the integrity and continuity of metal production processes.

**In November 2023, Nornickel, Siberian Federal University, and Fedorovsky Polar State University signed a cooperation agreement with a view to fostering innovation and advancing the educational landscape**. The agreement aims to combine scientific and educational efforts for mutually beneficial results. The main areas of cooperation include the advancement of R&D projects, especially on permafrost and climate change in the Arctic, the introduction of innovative production technologies, as well as research in biotechnology

and artificial intelligence. An important aspect of cooperation is the development of Nornickel's R&D<sup>1</sup> centre which will focus on digitalising and optimising processes in the mining industry. The agreement also covers educational support, encompassing joint events, field schools, and internships for undergraduate and postgraduate students of Siberian Federal University and Fedorovsky Polar State University. A heightened emphasis is laid on building a talent pool for the Company, which involves updating specialist's, bachelor's, and master's degree programmes while implementing continuing professional education programmes tailored to Nornickel's current talent needs.

At the end of the reporting year, **Nornickel and Astra, a leading Russian IT developer, signed a memorandum of cooperation** to develop software for Nornickel's needs, identify approaches to integrating solutions and services, test innovations, promote the transition to Russian technologies, and hold industry forums and conferences.

To reaffirm its commitment to the long-term strategy of exiting international assets, that do not meet first-class criteria, as well as its stronger strategic focus on developing and driving the reliability of its unique mineral resource base and processing capacities in

the Russian Federation, **Nornickel signed, through Norilsk Nickel Africa Proprietary Limited (NNAf) (a Nornickel Group company), an agreement to transfer its 50% interest in Nkomati Joint Venture to its South African partner, African Rainbow Minerals Limited (ARM)**.

In another strategic move, in 2023, **Nornickel signed a partnership with R-Vision, a leader in the Russian information security market, focussed primarily on contributing to the development of the information security market for the industrial sector**. The two parties plan to jointly develop proposals to improve, test, and implement information security solutions for industrial systems, including those ensuring an uninterrupted production cycle and business process integrity at Nornickel. Sharing experience and expertise while contributing to the promotion of solutions to build a platform for interaction between the public and business sectors are the essential aspects of this partnership.

**Dialogue with indigenous minorities**

Nornickel's engagement with indigenous peoples living in Taimyr and in the Murmansk Region is based on recognising the right of indigenous peoples to independently determine their development priorities and on respecting the customs, traditions, and culture of indigenous communities. Regular dialogue covers all areas of mutual interest and relies on a holistic approach.

Although Nornickel is not a resident of the Arctic zone, the Company adheres to the provisions of the Standard of Responsibility for the Residents of Russia's Arctic Zone.

Nornickel complies with all applicable international standards and regulations regarding the support for indigenous peoples of the North and recognises the rights of local communities to maintain their traditional lifestyle and indigenous trades. To maintain a consistent dialogue with indigenous peoples of Taimyr:

- a department was set up within the Norilsk Division, responsible for engagement with indigenous peoples of Taymyr and staffed with the right level of indigenous talent
- on the initiative of the indigenous peoples, the Indigenous Communities Coordination Council was established comprising representatives from 57 indigenous tribal communities.

Nornickel adopted the international practices of free, prior, and informed consent and due diligence (ethnicity expert review) to identify indigenous communities that will be affected by the Company's investment and production activities along with the extent of such impact.

In 2023, Nornickel continued implementing the cooperation agreement to support indigenous peoples signed with the Federal Agency for Ethnic Affairs (FAEA). The media praised the Company's Indigenous Peoples of Russia – Social Diplomacy programme aimed at boosting civic consciousness and capability building among indigenous peoples as well as at supporting potential opinion leaders from among them. In 2023, 278 people (members of more than 30 indigenous peoples of Russia) registered for the programme.

Another outcome of the agreement was the Public-Private Partnership for the Sustainable Development of Indigenous Peoples, an international forum held in Moscow in November 2023 and sponsored by Nornickel, which welcomed more than 200 delegates from Russia and other countries in Moscow and sponsored by Nornickel, which welcomed more than 200 delegates from Russia and other countries. Participants included federal and regional authorities, municipalities, and indigenous peoples' associations from Russia, Africa, and Asia, reindeer herders, leaders of tribal communities from Taymyr, Yamal, and Chukotka, UN expert bodies on human rights and indigenous peoples, and industrial companies. The event was streamed live with simultaneous translation into English and Spanish. The participants discussed responsible state and corporate governance around respecting the rights of indigenous peoples, strategies and forms of business involvement in ensuring indigenous peoples' sustainability through corporate programmes, agreements with authorities and associations of indigenous peoples, infrastructure development, environmental protection of indigenous lands, and other matters.

The Company's dialogue with indigenous peoples of the North is based on the following key principles:

- ✓ "Nothing for us without us"
- ✓ awareness and consistency
- ✓ from patronising to partnering

The Company's regulatory document setting out the framework for dialogue with indigenous peoples of the North is the Indigenous Rights Policy first adopted back in 2018 and based on the following approaches:

- ✓ Application of the principle of free, prior, and informed consent (FRIC);
- ✓ Support and development of traditional trades;
- ✓ Commitment to the principle of consultations in good faith



<sup>1</sup> Research and Development.

**Government relations**

The Company's representatives also take part in parliamentary hearings, round table discussions, and working groups organised by the Federation Council, the State Duma of the Russian Federation, the Government of the Russian Federation, federal executive authorities, the Civic Chamber of the Russian Federation, the Chamber

of Commerce and Industry of the Russian Federation, the Association of Managers interregional non-governmental organisation, etc.

Nornickel's experts are involved in discussing draft regulations through anti-corruption expert reviews and regulatory impact assessments. This all helps to maintain a constructive dialogue with the government, cut red tape, and improve the country's business climate.

In 2023, Nornickel signed an agreement with Rostekhnadzor. The agreement envisages the promotion of information exchange, joint organisation of scientific and practical workshops and conferences, development of scientific and methodological support, efforts to improve the legal framework in Russia, and identification of the best approaches to managing hazardous facilities.

## Managing conflicts of interest

**Nornickel has developed measures to prevent potential conflicts of interest involving shareholders, members of the Board of Directors and the Management Board as well as the President of the Company.**

The Company's Articles of Association set forth the specific procedure for approving transactions by shareholders who hold more than 5% of voting shares and affiliated persons. Such transactions are only made if approved by a qualified majority of Board members (at least 10 out of 13 votes).

ethical risks and conflict of interest situations. The Code provides for the obligation of members of the Board of Directors to refrain from actions that may result in a conflict of interest, and if such a conflict arises, they should promptly inform the Corporate Secretary in writing about such conflict.

If a Board member has a direct or indirect personal interest in a matter reviewed by the Board of Directors, they should inform other members of the Board of Directors before the matter is reviewed or a relevant resolution is passed, and refrain from participating in the review and from voting on the matter.

Interested-party transactions involving members of the Board of Directors and the Management Board as well as the President of the Company are regulated by the law on joint stock companies. The Company has in place the procedure for obtaining the Board of Directors' prior consent to interested-party transactions.

The Company also has in place the Code of Conduct and Business Ethics for Members of the Board of Directors, which aims to reinforce high standards of ethics and business conduct among members of the Board of Directors and serves as guidance in the event of

**In 2023, no notifications of conflicts of interest were received from members of the Board of Directors.**

# General Meeting of Shareholders

**The General Meeting of Shareholders is the highest governance body of MMC Norilsk Nickel responsible for making decisions on matters most critical to the Company's performance.**

Matters within the remit of the General Meeting of Shareholders are listed in the Company's Articles of Association, and the procedures for convening, preparing, and holding general meetings are detailed in the Regulations on the General Meeting of Shareholders.

### Types of General Meetings of Shareholders

- ✓ **By attendance:**
  - In person
  - In absentia
- ✓ **By frequency:**
  - Annual
  - Extraordinary

### Remit of the Company's General Meeting of Shareholders

- 1.** Amendments to the Articles of Association
- 2.** Distribution of earnings, including dividend payout (declaration)
- 3.** Approval of annual reports and annual accounting (financial) statements
- 4.** Election of members of the Board of Directors and early termination of their appointment
- 5.** Election of members of the Audit Commission and early termination of their appointment
- 6.** Appointment of the auditor
- 7.** Stock split and consolidation

### Key shareholder dates

| Events   | Timeframe   |
|--|---|
| Annual General Meeting of Shareholders   | No sooner than three and no later than six months after the end of the reporting year   |
| Extraordinary General Meeting of Shareholders  | At any time at the initiative of the Board of Directors or upon request from the Audit Commission, the audit firm, or a shareholder owning at least 10% of voting shares in the Company |
| Publication of the notice of the General Meeting of Shareholders                                       | Not later than 30 calendar days prior to the meeting  |
| Compilation of the list of shareholders entitled to participate in the General Meeting of Shareholders | Not earlier than 10 days from the date of the Board of Directors' decision to hold the meeting and not later than 25 days prior to the date of the meeting <sup>1</sup>                 |
| Provision of materials for the General Meeting of Shareholders   | 20 calendar days prior to the meeting   |

<sup>1</sup> In certain cases, the Federal Law On Joint Stock Companies establishes other timelines for publishing the notice of the General Meeting of Shareholders / compiling the list of persons entitled to participate in the General Meeting of Shareholders.

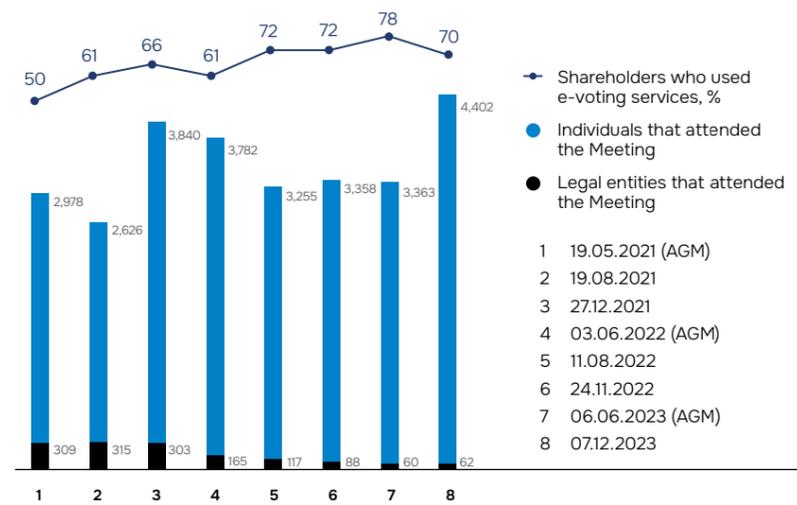
General Meetings of Shareholders held in 2023

| Meeting date  | Agenda   |
|---|--|
| <b>6 June 2023</b> – the Annual General Meeting of Shareholders (held in absentia)            | <p>The Meeting approved the Annual Report, annual accounting statements, and consolidated financial statements for 2022.</p> <p>The Meeting decided not to distribute earnings and not to pay dividends for 2022.</p> <p>A new Board of Directors and Audit Commission were elected; resolutions on their remuneration were passed.</p> <p>The auditor was approved to audit Nornickel’s Russian accounting (financial) statements for 2023, consolidated financial statements for 2023, and interim consolidated financial statements for 1H 2023.</p> <p>The Meeting approved transactions to provide liability insurance for members of the Board of Directors and the Management Board, as well as transactions to reimburse members of the Board of Directors and the Management Board for losses that these persons may incur in connection with their appointment and discharge of their duties as members of the Board of Directors and the Management Board</p> |
| <b>7 December 2023</b> – the Extraordinary General Meeting of Shareholders (held in absentia) | <p>Resolutions were passed to pay 9M 2023 dividends, split stock, and approve the Company’s membership in the Corporate Sports Development Association.</p>  |

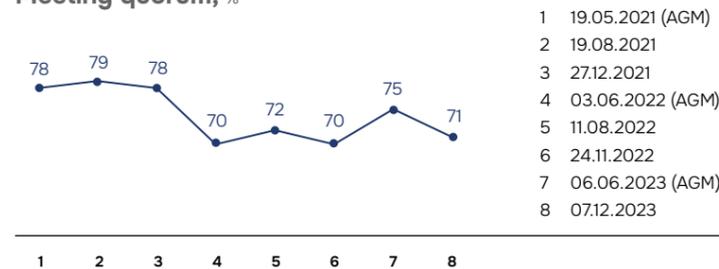
Except for the cumulative voting to elect members of the Board of Directors, each voting share represents one vote at the General Meeting of Shareholders.

Two General Meetings of Shareholders were held in 2023. All meetings were held by decision of the Board of Directors in absentia via an easy-to-use and reliable e-voting service. The e-voting service for General Meetings of Shareholders is provided by IRC – R.O.S.T., the Company’s registrar (official website: [Shareholder’s Personal Account, rost.ru](https://shareholder.nornickel.ru)). Each time, more and more shareholders take advantage of this service enabling them to vote regardless of their location.

Attendance at General Meetings of Shareholders



Meeting quorum, %



<sup>1</sup> AGM – Annual General Meeting of Shareholders.

Dividends

Dividends in 2023

On 7 December 2023, the Extraordinary General Meeting of Shareholders resolved to pay 9M 2023 dividends of RUB 915.33 per ordinary share, with the amount of dividend payout totalling close to RUB 130 billion (about USD 1.5 billion).

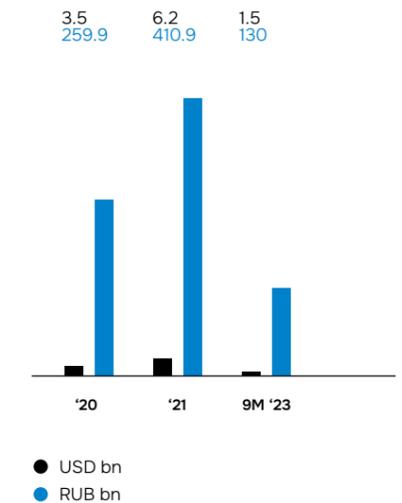
On 22 May 2024, the Company’s Board of Directors recommended that the Annual General Meeting of Shareholders resolve not to pay a final dividend for the financial year 2023. The resolution will be passed at the Annual General Meeting of Shareholders on 28 June 2024.

**~130**  
RUB BN

Total dividend payout for 9M 2023



Dividend history<sup>1</sup>



<sup>1</sup> Payments for 2021 included RUB 32.3 billion, or USD 0.5 billion, transferred by the Company to the Central Depository as dividends to ADR holders and shareholders who are customers of foreign nominee holders and subsequently transferred back to the Company.

# Board of Directors and Board committees

## Composition of the Board of Directors

The Board of Directors plays a crucial role in designing and developing the corporate governance system, ensures the protection and exercise of shareholder rights, and supervises executive bodies.

The Board's authority and formation process as well as the procedure for convening and holding Board meetings are determined by the Company's Articles of Association and Regulations on the Board of Directors.

As of 31 December 2023, the Board of Directors had 13 members, including:

- six independent directors: Denis Alexandrov, Sergey Volk, Alexey Ivanov, Irina Komarova, Anton Sychev, and Evgeny Shvarts
- five non-executive directors: Sergey Batekhin, Elena Bezdenezhnykh, Andrey Bougrov, Alexandra Zakharova, and Egor Sheibak
- two executive directors: Marianna Zakharova and Sergey Malyshev.

### Chairman of the Board of Directors

The Chairman of Nornickel's Board of Directors leads the Board of Directors, convenes and chairs its meetings, and ensures constructive collaboration between Board members and corporate management.

Since 2022, the position of the Chairman of the Board of Directors is held by Andrey Bougrov, a non-executive director with a long track record at the Company: until 2022 in his role as Senior Vice President for Sustainable Development, Andrey Bougrov focused on the sustainability aspect of the Company's development strategy and on monitoring corporate internal procedures, policies, and organisational structure for compliance with the requirements of international sustainability associations and certification procedures as well as on preparing and further improving the Company's sustainability reporting to bring it closer in line with international non-financial reporting standards. Andrey also oversaw the Company's investor relations.

### Remit of the Board of Directors

1. Determination of business priorities, development strategy, and budgets
2. Convening and holding Annual and Extraordinary Meetings
3. Acquisition of shares, bonds, and other securities placed by the Company in line with applicable laws
4. Recommendations on the amount of dividend per share
5. Approval and amendment of the dividend policy
6. Approval of a number of internal documents
7. Preliminary approval of annual reports and annual accounting (financial) statements
8. Establishment of the Company's branches and representative offices and approval of their regulations
9. Approval of material transactions specified in the Articles of Association
10. Determination of the principles and approaches for setting up the risk management and internal control systems, oversight of the said systems

According to Nornickel's Articles of Association, the Board of Directors has 13 members. The current size of the Board of Directors ensures a balanced mix of professionalism, expertise, and experience required for the Board to properly perform its functions and best align its activities with the Company's goals and objectives. All Board members enjoy an impeccable business reputation and recognition (including among investors) and have no conflicts of interest with Nornickel. The current Board of Directors comprises six independent directors. An objective

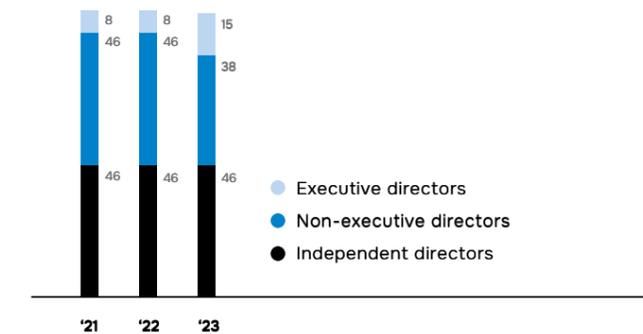
judgement that independent directors bring to the table, along with their constructive feedback, is a valuable contribution to the Board's leadership and the Company's operations on the whole. The independent directors' contribution to decision making helps align the interests of various stakeholder groups while improving the quality of management decisions.

As of 1 January 2023, the Board of Directors consisted of Denis Alexandrov, Sergey Batekhin, Alexey Bashkirov, Elena Bezdenezhnykh, Andrey Bougrov, Sergey Volk, Alexey

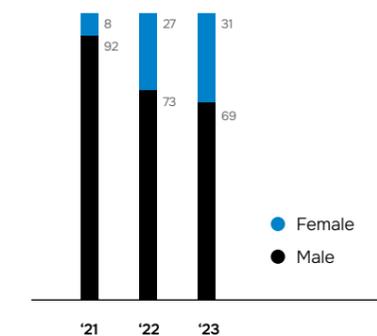
Germanovich, Alexandra Zakharova, Marianna Zakharova, Alexey Ivanov, Stanislav Luchitsky, Evgeny Shvarts, and Egor Sheibak, who were elected to the Board of Directors at the Extraordinary General Meeting of Shareholders in November 2022.

Following the Annual General Meeting of Shareholders that took place on 6 June 2023, Alexey Bashkirov, Alexey Germanovich, and Stanislav Luchitsky stepped down from the Board of Directors, and Irina Komarova, Sergey Malyshev, and Anton Sychev were elected as new Board members.

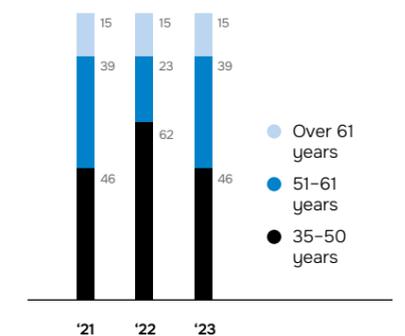
Status of Board members, %



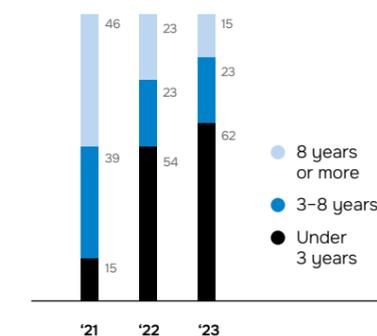
Board composition by gender, %



Board composition by age group, %



Tenure on the Board of Directors, %



Andrey Bougrov knows the ins and outs of the Company's operations and its internal business processes, which helps better understand them and facilitates fast but high-quality decision making at the Board level. Andrey Bougrov also boasts a vast track record of serving on expert councils on governance and sustainability, and chairs the Share Issuers Committee of Moscow Exchange.

In 2024, Andrey Bougrov won the Director of the Year National Award in the category Chairman of the Board of Directors: Contribution to the Development of Corporate Governance.



For more details on Andrey Bougrov's biography, please see [this Annual Report](#) and [the Company website](#).

### Independent directors

Independent directors are sufficiently professional, experienced, and self-reliant to form their own opinion and are capable of making unbiased judgements in good faith, free of influence by the Company's executive bodies, individual groups of shareholders, or other stakeholders.

In 2023, in line with corporate governance best practice, Nornickel's Board of Directors regularly evaluated Board nominees and new members against the independence criteria set out in the Company's Articles of Association and the Listing Rules of Moscow Exchange. If any signs of relationship were identified, the nature of such relationship was comprehensively assessed. Where the identified relationship was established to be formal in nature, the Company's Board of Directors determined whether the Board member in question met the independence criteria based on a recommendation by the Corporate Governance, Nomination, and Remuneration Committee. Thus, on 12 January 2023, Board member

Alexey Germanovich was determined to be independent despite his formal relationship with the Company's contractor since such relationship did not affect his ability to exercise independent, fair, and unbiased judgement. Alexey Germanovich has signed a relevant statement, under which the Director committed to represent the interests of all shareholders and the Company, despite the fact that he meets a formal relationship criterion, and inform the Board of Directors if he might start to meet any other relationship criteria or have a conflict of interest, or other ethical issues.

Over the year, the Company was in compliance with the requirements of the Listing Rules of Moscow Exchange as regards the number of independent directors on the Board.

The Company's Board of Directors elected at the Annual General Meeting of Shareholders on 6 June 2023 was 46.2% independent, comprising six independent directors: Denis Alexandrov, Sergey Volk, Alexey Ivanov, Irina Komarova, Anton Sychev, and Evgeny Shvarts.

### The Board's experience and skill mix

| Name  | Tenure on the Board of Directors | Key skills |                              |                   |                                 |                                  |     |
|---|----------------------------------|------------|------------------------------|-------------------|---------------------------------|----------------------------------|-----|
|   |                                  | Strategy   | Law and corporate governance | Finance and audit | Metals and mining / engineering | International economic relations | ESG |
| <b>COMPOSITION OF THE BOARD OF DIRECTORS AS AT 2023-END</b>                         |                                  |            |                              |                   |                                 |                                  |     |
| <b>Andrey Bougrov</b><br>Non-executive Director, Chairman of the Board of Directors | 2002–2020<br>2022 to date        |            | •                            |                   | •                               | •                                | •   |
| <b>Denis Alexandrov</b><br>Independent Director                                     | 2022 to date                     | •          |                              | •                 |                                 |                                  | •   |
| <b>Sergey Batekhin</b><br>Non-executive Director                                    | 2020 to date                     | •          | •                            | •                 |                                 | •                                |     |
| <b>Elena Bezdenezhnykh</b><br>Non-executive Director                                | 2022 to date                     | •          | •                            |                   | •                               |                                  |     |
| <b>Sergey Volk</b><br>Independent Director  | 2019 to date                     |            | •                            | •                 |                                 |                                  |     |
| <b>Marianna Zakharova</b><br>Executive Director                                     | 2010 to date                     |            | •                            |                   | •                               |                                  |     |
| <b>Alexandra Zakharova</b><br>Non-executive Director                                | 2022 to date                     |            |                              | •                 | •                               |                                  | •   |

| Name   | Tenure on the Board of Directors | Key skills |                              |                   |                                 |                                  |     |
|--|----------------------------------|------------|------------------------------|-------------------|---------------------------------|----------------------------------|-----|
|  |                                  | Strategy   | Law and corporate governance | Finance and audit | Metals and mining / engineering | International economic relations | ESG |
| <b>Alexey Ivanov</b><br>Independent Director                                       | 2022 to date                     |            |                              | •                 |                                 |                                  |     |
| <b>Irina Komarova</b><br>Independent Director                                      | 2023 to date                     |            | •                            | •                 |                                 | •                                |     |
| <b>Sergey Malyshev</b><br>Executive Director                                       | 2023 to date                     |            |                              | •                 | •                               |                                  |     |
| <b>Anton Sychev</b><br>Independent Director  | 2023 to date                     | •          | •                            | •                 |                                 |                                  |     |
| <b>Evgeny Shvarts</b><br>Independent Director                                      | 2019 to date                     | •          |                              |                   | •                               |                                  | •   |
| <b>Egor Sheibak</b><br>Non-executive Director                                      | 2022 to date                     |            | •                            | •                 | •                               |                                  |     |
| As at 31 December 2023, the average tenure on the Board of Directors was 4.8 years |                                  | 5          | 8                            | 9                 | 7                               | 3                                | 4   |
| <b>BOARD MEMBERS WHO STEPPED DOWN IN 2023</b>                                      |                                  |            |                              |                   |                                 |                                  |     |
| <b>Alexey Bashkirov</b><br>Non-executive Director                                  | 2013–2023                        | •          | •                            | •                 |                                 | •                                |     |
| <b>Alexey Germanovich</b><br>Independent Director                                  | 2022–2023                        |            | •                            | •                 |                                 |                                  | •   |
| <b>Stanislav Luchitsky</b><br>Independent Director                                 | 2021–2023                        | •          | •                            |                   | •                               |                                  | •   |

## Selection criteria and succession

The performance of the Company's Board of Directors is largely driven by a mix of skills, qualifications, experience, independent judgement, and degree of independence on the Board. The number of Board members and the composition of the Company's Board of Directors enable fair and comprehensive review of matters, most informed decision making, timely detection and prevention of conflicts of interest, as well as effective performance of the Board's other functions. When electing members to the Board of Directors, the Company is guided by the principles recommended by the Bank of Russia:

- Having a mix of skills on the Board of Directors that enables it to work as a close-knit team of professionals to drive informed and professional collective decision making by the Board;

- Balanced composition, whereby the experience, expertise, and skills of the Company's Board members complement each other and help the Board of Directors exercise fair and impartial judgement, timely identify strategic risks, and assess their potential impacts;
- Diversification, whereby the Board of Directors is able to review matters from different perspectives, bring up new ideas for discussion, and make more balanced decisions;
- Tailored approach, whereby the Company itself decides on the optimal composition of the Board of Directors and its committees and maintains succession plans for them considering the Company's objectives, business profile, and other factors;
- Independence, whereby the Board of Directors strives to make the most fair and independent decisions.

Independent directors on the Company's Board of Directors play an important role in maintaining a balance of interests between various shareholder groups and working out the best possible solutions;

- Information transparency, whereby shareholders are provided with timely information about candidates, their professional qualities, experience, and skills.

## Training of Board members

The Company has [Professional development policy for members of the Company's Board of Directors](#).

In order to update the knowledge of the Company's Board members and better involve them in the Company's processes, training courses on handling insider information are delivered on a regular basis for directors.

In addition, Nornickel Academy has developed and posted Anti-corruption for Managers, a remote learning course for members of the Board of Directors, the Management Board, and senior management. Members of the Company's governance bodies and top management are expected to complete this course in the first quarter of 2024.

In September 2023, to keep up to date with local developments and progress on sustainability activities, the Company's top managers and Board members visited production sites at Kola MMC. A number of informal discussions and meetings took place during the visit.

## Board of Directors' performance

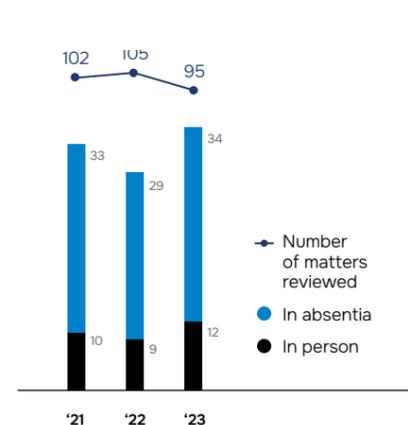
In 2023, the Company's Board of Directors held 46 meetings, including 12 meetings in person, and reviewed 95 matters.

sustainable growth, investor relations strategy, and operational and financial performance.

During the year, the Board of Directors continued to focus on matters critical to the Company's

**In 2023, attendance at Board meetings was 100%.**

Number of Board meetings



Matters reviewed in 2023



## Attendance of Board and committee meetings in 2023<sup>1</sup>

| Name                | Status  | Attendance at Board meetings |           |             | Attendance at committee meetings |                  |                 |  |  |                        |
|---------------------|---|------------------------------|-----------|-------------|----------------------------------|------------------|-----------------|--|--|------------------------|
|                     |   | Total                        | In person | In absentia | Strategy Committee               | Budget Committee | Audit Committee | Corporate Governance, Nomination, and Remuneration Committee | Sustainable Development and Climate Change Committee | Transactions Committee |
| Andrey Bougrov      | Non-executive Director / Chairman of the Board of Directors   | 46/46                        | 12/12     | 34/34       | 5/6                              | 5/7              | 8/16            | 4/13   | 5/8  | -                      |
| Denis Alexandrov    | Independent Director / Chairman of the Strategy Committee   | 46/46                        | 12/12     | 34/34       | 6/6                              | 2/7              | 16/16           | 3/13   | 8/8  | -                      |
| Elena Bezdenezhnykh | Non-executive Director  | 45/46                        | 11/12     | 34/34       | 6/6                              | 3/7              | 1/16            | 4/13   | 5/8  | -                      |
| Sergey Batekhin     | Non-executive Director  | 46/46                        | 12/12     | 34/34       | 6/6                              | 7/7              | 1/16            | 13/13  | 2/8  | -                      |
| Sergey Volk         | Independent Director  | 46/46                        | 12/12     | 34/34       | 4/6                              | 4/7              | 8/16            | 13/13  | 5/8  | -                      |
| Marianna Zakharova  | Executive Director  | 46/46                        | 12/12     | 34/34       | 3/6                              | 4/7              | 3/16            | 4/13   | 3/8  | 7/7                    |
| Alexandra Zakharova | Non-executive Director / Chairwoman of the Transactions Committee                                   | 46/46                        | 12/12     | 34/34       | 6/6                              | 7/7              | 16/16           | 5/13   | 8/8  | 7/7                    |
| Alexey Ivanov       | Independent Director / Chairman of the Audit Committee  | 46/46                        | 12/12     | 34/34       | 5/6                              | 1/7              | 16/16           | 4/13   | 7/8  | -                      |
| Irina Komarova      | Independent Director  | 20/46                        | 5/12      | 15/34       | 4/6                              | 5/7              | 8/16            | 8/13   | 3/8  | -                      |
| Sergey Malyshev     | Executive Director  | 20/46                        | 5/12      | 15/34       | 6/6                              | 5/7              | 7/16            | 3/13   | 4/8  | 1/7                    |
| Anton Sychev        | Independent Director / Chairman of the Corporate Governance, Nomination, and Remuneration Committee | 20/46                        | 5/12      | 15/34       | 4/6                              | 5/7              | 8/16            | 8/13   | 3/8  | -                      |
| Evgeny Shvarts      | Independent Director / Chairman of the Sustainable Development and Climate Change Committee         | 46/46                        | 12/12     | 34/34       | 5/6                              | -                | 3/16            | 3/13   | 8/8  | -                      |
| Egor Sheibak        | Non-executive Director  | 46/46                        | 12/12     | 34/34       | 6/6                              | 7/7              | 9/16            | 13/13  | 6/8  | 7/7                    |
| Alexey Bashkurov    | Non-executive Director  | 26/46                        | 7/12      | 19/34       | 2/6                              | 2/7              | 1/16            | -  | -  | -                      |
| Alexey Germanovich  | Independent Director  | 26/46                        | 7/12      | 19/34       | 2/6                              | 3/7              | 8/16            | 6/13   | 4/8  | -                      |
| Stanislav Luchitsky | Independent Director / Chairman of the Sustainable Development and Climate Change Committee         | 26/46                        | 7/12      | 19/34       | 2/6                              | -                | 3/16            | 5/13   | 3/8  | -                      |

<sup>1</sup> The attendance by Board members is represented as X/Y, where X is the number of meetings attended by the director, and Y is the total number of meetings held.

## Performance evaluation of the Board of Directors

The procedure for evaluating the performance of the Company's Board of Directors is regulated by the relevant policy approved by resolution of the Company's Board of Directors (Minutes No. GMK/1-pr-sd dated 20 January 2015). The policy provides for the evaluation of the Board of Directors' performance in the reporting financial year in the form of an internal evaluation conducted through a questionnaire survey of Board members within the Company, or in the form of an external evaluation as may be proposed by the Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors and approved by resolution of the Board of Directors, with such external evaluations involving independent professional advisors.

As per the Board of Directors' resolution dated 7 February 2024, the evaluation of the Board of Directors' performance in 2023 was carried out in the form of an internal evaluation (self-evaluation).

The Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors conducted the evaluation focussing on the performance of the Board of Directors as the Company's governance body, the performance of Board committees, and the performance of the Chairman of the Board of Directors while also paying attention to the evaluation of the Corporate Secretary's performance.

As part of the evaluation, detailed questionnaires were sent to the members of the Board of Directors, asking them to evaluate the performance of the Board of Directors against the following criteria: alignment of the Board's structure with its functions; qualitative composition; internal performance dynamics; activities of the Corporate Secretary;

the Board's involvement in creating shareholder value; involvement in the Company's development strategy; interaction within the risk management, internal control, and compliance system; corporate governance system; supervisory function; holding meetings; activities of the Board's Chairman; activities of each individual Committee; and overall evaluation.

All 13 Board members took part in the survey.

The information obtained from the survey was reviewed by the Corporate Governance, Nomination, and Remuneration Committee and included in its report on the internal performance evaluation of the Board of Directors for 2023.

The Committee came to the following conclusions:

- The current composition of the Board of Directors is well-balanced in terms of directors' qualifications, experience, and business skills. The qualitative and quantitative composition of the Board of Directors matches the scale and profile of the Company's business, its business objectives and risk profile, and meets the Company's current and anticipated needs and shareholder interests
- The composition of the Board committees is aligned with the Company's goals and objectives; there is no need to set up additional Board committees
- The Chairman of the Board of Directors organises the Board of Directors' activities in the most efficient way, ensures its communication with other bodies of the Company, and facilitates the best performance of assigned duties

The Committee also identified areas for development and made recommendations on Board functions requiring action to improve performance in those areas.

The results of the internal evaluation of the Board of Directors' performance in 2023, including the opinion and recommendations of the Corporate Governance, Nomination, and Remuneration Committee, were reviewed at a Board of Directors meeting. It was resolved to acknowledge that in the reporting year the Board of Directors, Board Chairman, Board committees, and Corporate Secretary discharged their duties effectively and that the recommendations of the Corporate Governance, Nomination, and Remuneration Committee should be taken into account in the Board's future activities in 2024.

During the reporting year, the Board of Directors' efforts paid particular attention to the areas for improvement identified by the Board's previous self-evaluation as well as to consolidating the progress made in priority areas.

For example, the Board of Directors and top managers resumed the practice of reviewing matters related to the Company's business and strategic priorities at in-person meetings, including informal ones. In September 2023, to keep up to date with local developments and progress on ESG adoption, the Company's top managers and Board members visited key production sites at Kola MMC (Severn Mine, Kola Superdeep Borehole) and discussed matters of the Company's strategic importance.

In 2023, the Corporate Governance, Nomination, and Remuneration Committee continued reviewing matters related to developing human capital and motivating employees, such as the Human Capital Development Programme 2021–2023, 2022 and 2023 KPI scorecards for the Company's top 10's and division directors, and remuneration of members of the Board of Directors and the Audit Commission. To reflect stakeholders' views and interests in the decision-making process, the Corporate Governance, Nomination, and Remuneration

Committee continued collaborating with the Company's management during 2023 when resolving on matters within its remit.

In 2023, the Strategy Committee focussed on matters related to the Company's long-term growth CAPEX programme, future production

programme, and the implementation status of several projects (including the Sulphur Project) and functional strategies.

## Biographical details of Board members<sup>1</sup>



For biographies of the Board members who stepped down after the Annual General Meeting of Shareholders, please see the [2022 Annual Report](#).

### Andrey Bougrov

Non-executive Director, Chairman of the Board of Directors since 2022

Born in: 1952  
Shares of the Company: 0%



### Education

Degree in International Economic Relations, Economist for Foreign Trade, Candidate of Economic Sciences, Moscow State Institute of International Relations (MGIMO University)

### Experience in the last five years

Since 2016: chairman of the Share Issuers Committee of Moscow Exchange

Since 2015: member of the National Council on Corporate Governance non-profit partnership

Positions at Nornickel: Senior Vice President (2016–2020), Senior Vice President for Sustainable Development (2020–2022)

<sup>1</sup> Positions are indicated as at 2023-end.

**Denis Alexandrov**

Independent Director since 2022, Chairman of the Strategy Committee, member of the Audit Committee, member of the Sustainable Development and Climate Change Committee

Born in: 1974  
Shares of the Company: 0%



**Education**

Degree in International Economic Relations and Management, Far Eastern State University, 1996

Bachelor of Science in Business and Management, University of Maryland, 1995

**Experience in the last five years**

- Since 2023: managing partner of Laurus Capital Management
- 2022–2023: member of the council of the Union of Gold Producers of Russia
- 2022–2023: member of the board of directors of Petropavlovsk-Avia, a Petropavlovsk Group company
- 2021–2023: member of the board of directors of PHM Engineering, a Petropavlovsk Group company
- 2021–2023: member of the board of directors of Pokrovskiy Mine, a Petropavlovsk Group company
- 2020–2023: CEO of Atlas Mining
- 2020–2023: CEO of the public gold mining company Petropavlovsk PLC (POG)
- 2016–2020: CEO of Rusdragmet

**Sergey Batekhin**

Non-executive Director since 2020, member of the Budget Committee, member of the Corporate Governance, Nomination, and Remuneration Committee, member of the Strategy Committee

Born in: 1965  
Shares of the Company: 0%



**Education**

Degree in Finance and Credit, Economist, Plekhanov Russian Academy of Economics, 1998

Master of Business Administration, Moscow International Higher School of Business MIRBIS, 1998

Doctor of Philosophy, International Information Technology Academy, 2002

Speaks French, German, English, and Italian

**Experience in the last five years**

- Since 2019: chairman of the presidium of the Night Hockey League non-profit amateur hockey foundation
- 2019–2022: member of the board of directors of Jokerit Hockey Club Oy
- Since 2018: member of the board of directors of Kontinental Hockey League
- 2018–2020: Senior Vice President – Head of Sales, Procurement, and Innovation at MMC Norilsk Nickel

**Elena Bezdenzhnykh**

Non-executive Director since 2022, member of the Strategy Committee, member of the Sustainable Development and Climate Change Committee

Born in: 1973  
Shares of the Company: 0.001146%



**Education**

Degree in Law, Lawyer, Krasnoyarsk State University, 1996

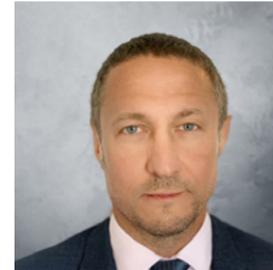
**Experience in the last five years**

- Since 2023: vice president at RUSAL Management, Moscow
- 2020–2022: member of the board of directors of Yenisei Siberia Development Corporation
- Since 2019: member of the presidium of the Association of Lawyers of the Russian Federation
- 2019–2023: vice president for regional policy and government relations at RUSAL Management, Moscow
- 2018–2019: vice president for regional policy and government relations of the branch at RUSAL Management, Moscow
- Since 2018: member of the supervisory board of Siberian Federal University

**Sergey Volk**

Independent Director since 2019, member of the Corporate Governance, Nomination, and Remuneration Committee, member of the Strategy Committee

Born in: 1969  
Shares of the Company: 0%



**Education**

Master of Business Administration (majoring in Finance), University of Texas at Austin (USA), 1998

**Experience in the last five years**

- 2019–2022: member of the board of directors of Fortenova grupa d.d. (Zagreb, Croatia)
- 2018–2022: member of the supervisory board of Mercator d.d. (Ljubljana, Slovenia)

**Marianna Zakharova**

Executive Director since 2010, member of the Management Board since 2016, member of the Transactions Committee

Born in: 1976  
Shares of the Company: 0%



**Education**

Bachelor in Law, 1998; Master in Law, 2000, Peoples' Friendship University of Russia

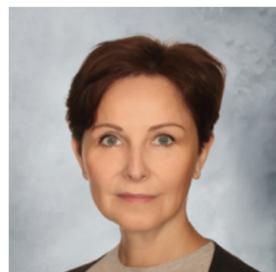
**Experience in the last five years**

Since 2015: First Vice President – Head of Corporate Governance, Asset Management, and Legal Affairs at MMC Norilsk Nickel

**Alexandra Zakharova**

Non-executive Director since 2022, Chairwoman of the Transactions Committee, member of the Audit Committee, member of the Budget Committee, member of the Sustainable Development and Climate Change Committee

Born in: 1973  
Shares of the Company: 0%



**Education**

Bachelor in Law, 1998; Master in Law, 2000, Peoples' Friendship University of Russia

**Experience in the last five years**

Since 2015: First Vice President – Head of Corporate Governance, Asset Management, and Legal Affairs at MMC Norilsk Nickel

**Alexey Ivanov**

Independent Director since 2022, Chairman of the Audit Committee, member of the Sustainable Development and Climate Change Committee

Born in: 1969  
Shares of the Company: 0%



**Education**

Department of Economic Cybernetics, Faculty of Economics, 1991; postgraduate degree, Department of International Economic Relations, 1993, Leningrad State University

Institute of Chartered Accountants in England and Wales (ACA qualification), 1997

**Experience in the last five years**

Since 2023: member of the board of directors of Askona-Vek, Trading House Askona, and Halecroft Limited

Since 2022: member of the board of directors of QIWI PLC

Since 2021: CEO of Green Energy

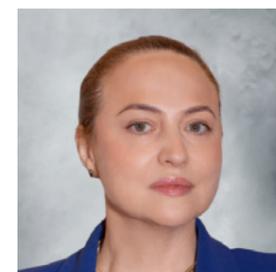
2020–2023: CEO of Axioma

2016–2020: key account management partner at PricewaterhouseCoopers (Moscow)

**Irina Komarova**

Independent Director since 2023, member of the Audit Committee, member of the Budget Committee, member of the Corporate Governance, Nomination, and Remuneration Committee

Born in: 1970  
Shares of the Company: 0%



**Education**

Mediator, Russian Academy of Advocacy and Notaries, 2020

EMBA – Legal Resource Management, HSE University (National Research University – Higher School of Economics), 2012

Degree in Law, Lawyer, Kutafin Moscow State Law Academy, 2001

Degree in Foreign Economic Affairs, Economist, Moscow International Business Institute at the Russian Foreign Trade Academy, 1995

Degree in Industrial and Civil Engineering, Construction Engineer, Kuibyshev Moscow Institute of Civil Engineering (Moscow), 1992

**Experience in the last five years**

Since 2013: deputy CEO – head of the legal department at High-Speed Rail Lines

Since 2014: member of the management board of High-Speed Rail Lines

**Sergey Malyshev**

Executive Director since 2023, member of the Management Board since 2013

Born in: 1969  
Shares of the Company: 0%



**Education**

Mechanical Engineer, specialty – textile and light industry machines and apparatuses, Kosygin State University of Russia

Economist, specialty – finance and credit, Financial University under the Government of the Russian Federation

Degree in Religious Education and Spiritual Development, higher theological courses, Moscow Theological Academy of the Russian Orthodox Church

Public and Municipal Administration retraining programme, Institute of Advanced Training at the Russian Presidential Academy of National Economy and Public Administration

Information Security retraining programme, Moscow State Institute of Electronic Technology

**Experience in the last five years**

Positions at Nornickel: Deputy CEO, Chief Financial Officer (2013-2015); Vice President and Chief Financial Officer (2015- 2016); Senior Vice President – Chief Financial Officer (since 2016)

**Anton Sychev**

Independent Director since 2023, Chairman of the Corporate Governance, Nomination, and Remuneration Committee, member of the Budget Committee, member of the Audit Committee, member of the Strategy Committee

Born in: 1978  
Shares of the Company: 0%



**Education**

Degree in Finance and Credit, Economist (graduated with distinction), Financial University under the Government of the Russian Federation, 2000

Postgraduate degree, Candidate of Economic Sciences, Financial University under the Government of the Russian Federation, 2004

FCCA, Association of Chartered Certified Accountants, 2011

**Experience in the last five years**

Since 2023: chief financial officer of LITASCO Middle East

2021–2022: member of the board of directors of Goldman Sachs Bank, co-head of investment banking, co-head of the Russian office of Goldman Sachs

2011–2021: managing director of investment banking, natural resources, Russia and the CIS, Goldman Sachs

**Evgeny Shvarts**

Independent Director since 2019, Chairman of the Sustainable Development and Climate Change Committee

Born in: 1958  
Shares of the Company: 0%



**Education**

Degree in Zoology and Botany, Biologist, Lomonosov Moscow State University, 1982  
Candidate of Geographical Sciences (Biogeography and Soil Geography), Institute of Geography, Academy of Sciences of the Soviet Union, 1987  
Doctor of Geographical Sciences (Geoecology), Institute of Geography, Russian Academy of Sciences, 2003

**Experience in the last five years**

Since 2023: leading researcher at the Department of Physical Geography and Environmental Management Problems of the Institute of Geography, Russian Academy of Sciences  
Since 2021: professor at the Faculty of Geography and Geoinformation Technology, HSE University (National Research University – Higher School of Economics); head of the Centre for Responsible Environmental Management at the Institute of Geography, Russian Academy of Sciences  
2020–2023: leading researcher at the Department of Physical Geography and Environmental Management Problems of the Institute of Geography, Russian Academy of Sciences  
Since 2020: member of the board of directors of UC RUSAL, IPJSC  
2007–2019: director for conservation policy at WWF  
Since 1992: member of the board of the Biodiversity Conservation Centre charitable foundation

**Egor Sheibak**

Non-executive Director since 2022, Chairman of the Budget Committee, member of the Corporate Governance, Nomination, and Remuneration Committee, member of the Transactions Committee

Born in: 1986  
Shares of the Company: 0.00013%



**Education**

Degree in Public Administration, Manager, Lomonosov Moscow State University, 2008

**Experience in the last five years**

Since 2023: Advisor to Vice President for Internal Control and Risk Management at MMC Norilsk Nickel  
2013–2023: head of project of the Financial Control Service of MMC Norilsk Nickel

**Board committees**

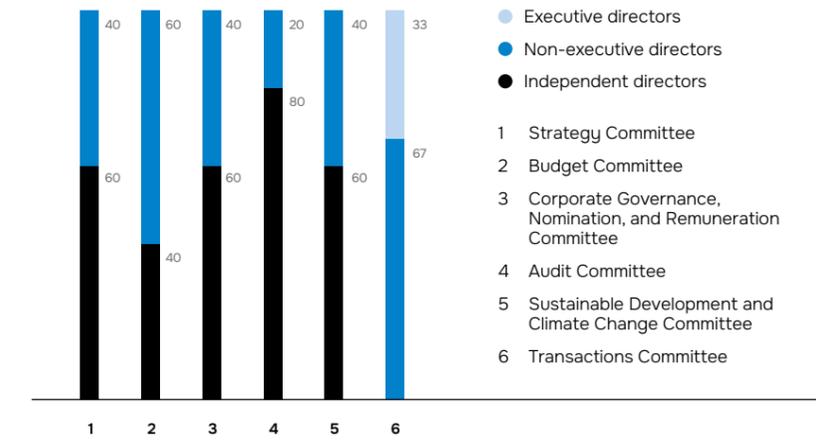
Committees established by Nornickel's Board of Directors are responsible for conducting a preliminary review of critical matters related to the Company's activities and making recommendations for decision making on matters reserved for the Board. To discharge their responsibilities in an effective way, the committees may consult Nornickel's governance bodies and seek opinions from independent external advisors.

**From the beginning of the reporting year, the Board of Directors had five committees, each consisting of five members:**

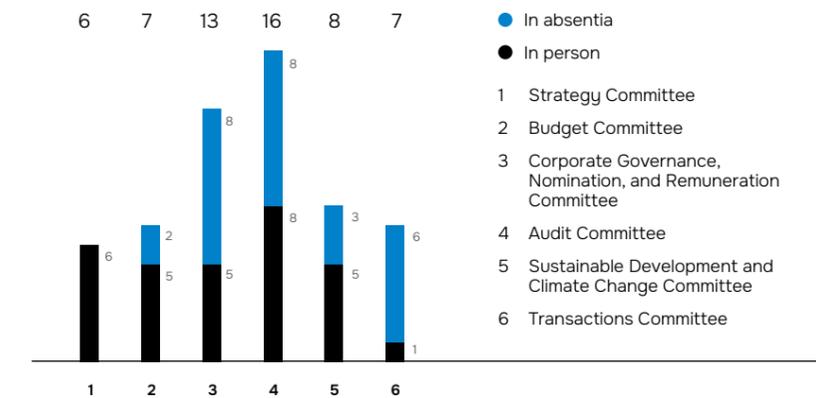
- Strategy Committee
- Budget Committee
- Corporate Governance, Nomination, and Remuneration Committee
- Audit Committee
- Sustainable Development and Climate Change Committee

In June 2023, the Board of Directors decided to set up the Transactions Committee to preview transactions requiring approval by a qualified majority of Board members and issue recommendations regarding decisions on the approval of such transactions and other matters related to the Company's transactions.

**Status of Board committee directors, %**



**Number of Board committee meetings in 2023**



**Strategy Committee**

The Strategy Committee is made up of five directors, three of whom are independent, including the Chairman. In 2023, the Committee held six meetings in person.

The Strategy Committee assists the Board of Directors by previewing matters related to:

- building a sustainability strategy
- investment planning and structural changes
- engagement with capital markets.

During the reporting year, the Strategy Committee made recommendations to the Board of Directors and reviewed progress and status updates on Nornickel’s major investment projects, including the Sulphur Project, the Company’s sales and marketing activities, assessment of the impact on the production programme from the current macroeconomic environment, long-term investment plans, and the Company’s financial model, as well as downstream strategic initiatives and partnerships. The Committee reported on the Company’s operational performance, comprehensive efforts to promote employee engagement and corporate values, as well as on health and safety. In addition, the Committee approved the innovation and R&D strategy and reviewed the Company’s strategy for financing, developing the fuel and energy complex and strategy of geologic exploration activities.

In 2024, the Committee plans to continue monitoring the implementation of functional strategies and progress on the Company’s key promising projects and reviewing management reports on other matters within the Committee’s remit.

**Committee members as at 2023-end**

**Denis Alexandrov (Chairman, Independent Director)**

Elena Bezdenezhnykh

Sergey Batekhin

Sergey Volk (Independent Director)

Anton Sychev (Independent Director)

**Budget Committee**

Nornickel’s current Budget Committee is made up of five directors, two of whom are independent.

In 2023, the Committee held seven meetings, including two in absentia.

In 2023, the Budget Committee focused on making recommendations to the Board of Directors to inform decision making on the amount of the Company’s FY 2022 and 9M 2023 dividend and the dividend record date. The Committee prepared an overview of initiatives under the efficiency improvement programme and reviewed metal price and FX forecast updates to support the Company’s 2024 budgeting. The Budget Committee also approved and recommended that the Board of Directors approve Nornickel’s 2024 budget.

**Committee members as at 2023-end**

**Egor Sheibak (Chairman)**

Sergey Batekhin

Alexandra Zakharova

Irina Komarova (Independent Director)

Anton Sychev (Independent Director)

**The Strategy Committee’s key functions**

- ✓ Supporting Nornickel’s Board of Directors in developing, overseeing, and adjusting the corporate strategy;
- ✓ Recommending updates to the strategy

Proportion of independent directors:

**60%**

Proportion of independent directors:

**40%**

**The Budget Committee’s key functions**

- ✓ Organising and monitoring the Company’s budgeting and business planning processes;
- ✓ Monitoring the execution of budgets and business plans;
- ✓ Reviewing and preparing proposals and recommendations to the Board of Directors regarding dividends and dividend policy;
- ✓ Preparing recommendations to the Board of Directors on establishing and using the Company’s reserve and other funds

**Corporate Governance, Nomination, and Remuneration Committee**

The Committee is made up of five directors, three of whom are independent, including the Committee Chairman.

In the reporting year, the Committee held 13 meetings, including seven in absentia, four in person, and two joint meetings with the Sustainable Development and Climate Change Committee of the Board of Directors (one in person and one in absentia).

The Committee made recommendations to the Board of Directors to inform decision making on convening, preparing, and holding the Annual and Extraordinary General Meetings of Shareholders and on matters reserved to the General Meeting of Shareholders (remuneration and reimbursement of expenses of members of the Board of Directors and the Audit Commission, and liability insurance and indemnity for members of the Board of Directors and the Management Board).

The Corporate Governance, Nomination, and Remuneration Committee advised the Board of Directors on evaluation of the Board of Directors’ performance in 2022, on changes to the Company’s Management Board, and on the approval of a number of the Company’s internal documents. The Committee reviewed the implementation of the Digital Investor programme, the Company’s charitable policy, sponsorship efforts, and other social programmes, the Human Capital Development Programme, and the Youth Engagement Programme

and presented performance against 2022 team and individual KPIs for the Company’s top 10’s and division directors. The Committee also reviewed the annual evaluation of the Board of Directors’ performance in 2022, which concluded that the Board of Directors and the Corporate Secretary of Nornickel were effective, and assessed the independence of nominees to the Company’s Board of Directors.

**Committee members as at 2023-end**

**Anton Sychev (Chairman, Independent Director)**

Sergey Batekhin

Sergey Volk (Independent Director)

Irina Komarova (Independent Director)

Egor Sheibak

Proportion of independent directors:

**60%**

**The Corporate Governance, Nomination, and Remuneration Committee’s key**

- ✓ Evaluating, overseeing, and improving Nornickel’s corporate governance framework;
- ✓ Ensuring 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

**Audit Committee**

The Audit Committee is made up of five directors, four of whom are independent, including the Committee Chairman. On average, Committee members have more than 10 years of experience in finance.

In the reporting year, the Committee held 16 meetings, including seven in person, seven in absentia, and two joint meetings with the Sustainable Development and Climate Change Committee of the Board of Directors (one in person and one in absentia).

During 2023, the Audit Committee prepared for the Board of Directors a number of recommendations for decision making on matters related to the accuracy and reliability of Nornickel's financial statements, health and safety, approval of new versions of the Internal Control Policy and the Risk Management Policy, as well as approval of the Regulations on the Corporate Risk Management Framework. The Committee also reviewed the results of audits by the Internal Audit Department and Internal Control Department; reports by the Risk Management Service on the Company's key risks; reports by the Inspection Department for Monitoring Technical, Production, and Environmental Risks; a report on the Ecology Department's performance; as well as the Corporate Risk Appetite Statement for 2023.

In 2023, in addition to the matters mentioned above, the Audit Committee:

- reviewed the annual audit plan and internal audit development plans
- reviewed bonus-related performance targets of the Internal Audit Department Director
- discussed the results of completed audits, including gaps identified and remedial actions designed by management to improve internal controls and minimise risks.

The Audit Committee plays an important role in enabling controls and accountability, and has become an effective interface between the Board of Directors, Audit Commission, independent auditor, Internal Audit Department, and management of Nornickel.

**Committee members as at 2023-end**

**Alexey Ivanov (Chairman, Independent Director)**

Denis Alexandrov (Independent Director)

Alexandra Zakharova

Irina Komarova (Independent Director)

Anton Sychev (Independent Director)

**Sustainable Development and Climate Change Committee**

The Committee is made up of five directors, three of whom are independent, including the Committee Chairman. In accordance with its Regulations, the Committee has five members, with an option to increase its membership should the Board of Directors decide to do so.

In the reporting year, the Committee held eight meetings, including three in person, one in absentia, two joint meetings with the Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors (one in person and one in absentia), and two joint meetings with the Audit Committee of the Board of Directors (one in person and one in absentia).

In 2023, the Committee discussed the presented options for developing in-house power generation facilities based on low-carbon technologies, took note of the 2031 medium-term emission reduction targets,

Proportion of independent directors:

**80%**

**The Audit Committee's key functions**

- ✓ Reviewing financial reporting matters;
- ✓ Reviewing health and safety matters
- ✓ Managing risks and internal controls;
- ✓ Managing external and internal audit;
- ✓ Preventing wrongdoing by Nornickel employees and third parties

Proportion of independent directors:

**60%**

and decided to continue technical studies and further explore options for developing in-house power generation facilities based on low-carbon technologies until 2050. At a joint meeting, the Sustainable Development and Climate Change Committee and the Audit Committee discussed the 2022 Sustainability Report, the Group's 2022 Human Rights Report, and the Group's 2021-2022 Responsible Supply Chain Report.

In 2023, the Sustainable Development and Climate Change Committee made recommendations to the Board of Directors to inform decision making on the approval of the Socially Sustainable Development Strategy. The Committee reviewed the Climate Change Report, noting the high quality of the disclosure.

**Committee members as at 2023-end**

**Evgeny Shvarts (Chairman, Independent Director)**

Denis Alexandrov (Independent Director)

Elena Bezdenezhnykh

Alexandra Zakharova

Alexey Ivanov (Independent Director)

**The Sustainable Development and Climate Change Committee's key functions**

- ✓ Integrating sustainability principles, including climate change, into the Company's activities;
- ✓ Developing and implementing the Sustainable Development and Climate Change Strategy;
- ✓ Managing risks and internal controls related to sustainable development and climate change;
- ✓ Preparing the Company's internal reports and disclosures on sustainable development and climate change;
- ✓ Overseeing the external audit of the Company's reports and activities related to sustainable development and climate change

**Transactions Committee**

The Committee is made up of three directors. In accordance with its Regulations, the Committee has three members, with an option to increase its membership should the Board of Directors decide to do so.

In 2023, the Committee held seven meetings, including one in person and six in absentia.

During the year, the Committee reviewed matters relating to capital raising, the Company's bond transactions.

**Committee members as at 2023-end**

**Alexandra Zakharova (Chairwoman)**

Marianna Zakharova

Egor Sheibak

**The Transactions Committee's key functions**

- ✓ Previewing transactions requiring approval by a qualified majority of Board members, in line with the Company's Articles of Association;
- ✓ Reviewing other matters related to the Company's transactions requiring approval by the Board of Directors and potential major transactions

# Executive bodies

The President and the Management Board are Nornickel’s executive bodies in charge of day-to-day operations.

## President

The President is Nornickel’s sole executive body in charge of day-to-day operations. The President is elected by the General Meeting of Shareholders for an indefinite term and acts as Chairman of the Management Board.

The President reports to the Board of Directors and the General Meeting of Shareholders. Since 2015, this position has been held by Vladimir Potanin (Nornickel’s CEO in 2012–2015).

## Management Board

The Management Board is a collective executive body in charge of Nornickel’s day-to-day operations within its scope of authority as set out in the Articles of Association; it ensures the implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors.

Members of the Management Board are elected by the Board of Directors for an indefinite term. The Board of Directors may at any time terminate the office and contract of any member of the Management Board.

The Management Board had 10 members at the start of 2023, according to the composition approved by the Board of Directors on 1 June 2022. On 16 October 2023, the Board of Directors resolved to elect Dmitry Kushnarev to the Company’s Management Board and to establish an 11-member Management Board as from 16 October 2023.

In 2023, the Management Board held 34 meetings (all in absentia).

During 2023, the Management Board made a number of important decisions, including restructuring the Norilsk

Division and setting up the new Sales Division; passed resolutions regarding the Company’s branch directors and amendments to their employment contracts; reviewed the Company’s capital-raising and bond transactions; made recommendations to the Board of Directors on approval of the Socially Sustainable Development Strategy; approved the launch of the Palladium Development Programme; approved the scope of internal control system self-evaluation for 2023; and reviewed matters related to the progress of the Environmental and Climate Change Strategy and key focus areas of the Carbon Neutrality Strategy.

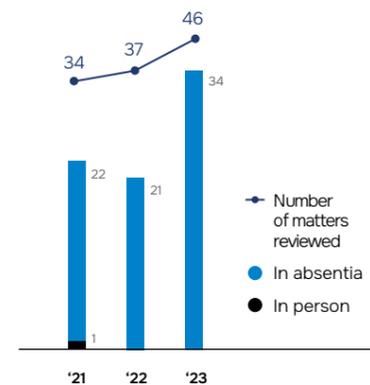
In addition to the decisions made, in 2023, the Management Board preliminarily reviewed and recommended that the Board of Directors approve the Sustainability Report, the Climate Change Report, and the Company’s Annual Report.

In 2023, in a first for the Company, the Management Board reviewed and recommended that the Board of Directors approve the Human Rights Report and the Responsible Supply Chain Report.

### The President and the Management Board ensure:

- ✓ implementation of resolutions passed by the Board of Directors and the General Meeting of Shareholders;
- ✓ implementation of Nornickel’s key plans and programmes;
- ✓ continuous operation of an effective risk management and internal control system (RMICS).

### Number of Management Board meetings



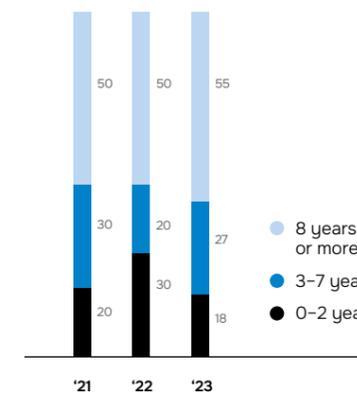
## 34 MEETINGS OF THE COMPANY’S MANAGEMENT BOARD

held in 2023

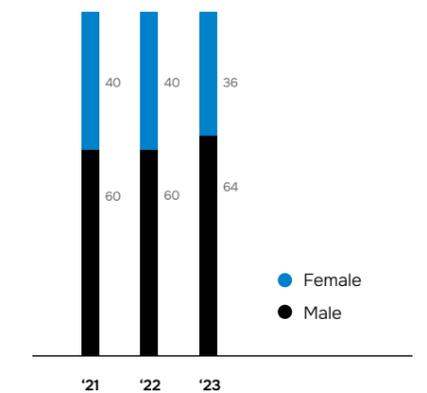
### Attendance at meetings in 2023

| Name                          | Tenure on the Management Board (years) | Meetings attended / total number of meetings |
|-------------------------------|--|--|
| Vladimir Potanin              | 12                                     | 34/34  |
| Anton Berlin                  | 2                                      | 34/34  |
| Sergey Dubovitsky             | 6                                      | 34/34  |
| Marianna Zakharova            | 8                                      | 34/34  |
| Larisa Zelkova                | 11                                     | 34/34  |
| Dmitry Kushnarev <sup>1</sup> | 1                                      | 9/34   |
| Sergey Malyshev               | 11                                     | 34/34  |
| Nina Plastinina               | 11                                     | 34/34  |
| Elena Savitskaya              | 10                                     | 34/34  |
| Sergey Stepanov               | 3                                      | 34/34  |
| Evgeny Fyodorov               | 3                                      | 34/34  |

### Tenure on the Management Board, %



### Management Board composition by gender, %



<sup>1</sup> Joined the Management Board on 16 October 2023 as per the Board of Directors’ resolution.

## Biographical details of members of the Management Board<sup>1</sup>

### Vladimir Potanin

Chairman of the Management Board since 2012

President of the Company since 2015 (CEO in 2012–2015)

Born in: 1961  
Shares of the Company: 0%



#### Education

Degree in International Economics, Moscow State Institute of International Relations (MGIMO University)

#### Experience in the last five years

Since 2022: member of the management board of the Russian Ice Hockey Federation

Since 2021: member of the board of trustees of the Football Union of Russia non-governmental organisation

2020–2022: chairman of the board of trustees of the Vladimir Potanin Foundation

Since 2020: member of the board of trustees of the ROZA Club for Sport Development and Support

Since 2018: member of the board of trustees of the Russian–American Council for Business Cooperation trade association; member of the board of trustees of the Fund for the Conservation and Development of the Solovetsky Archipelago

Since 2017: chairman of the supervisory board of the Norilsk Development Agency autonomous non-profit organisation

Since 2016: member of the board of the Endowment Fund for Education and Culture, chairman of the board of trustees of the Night Hockey League non-profit amateur hockey foundation

Since 2011: member of the board of trustees of the State Hermitage Museum Endowment Fund non-profit organisation; member of the board of trustees of the Moscow Church Construction Foundation

Since 2010: member of the board of trustees of the Russian Geographical Society all-Russian non-governmental organisation

Since 2009: deputy chairman of the board of trustees of the Russian International Olympic University

Since 2007: member of the board of trustees of Saint Petersburg State University, deputy chairman of the board of trustees of the MGIMO University Endowment Fund

Since 2006: deputy chairman of the board of trustees of the Moscow State Institute of International Relations (MGIMO University), member of the board of trustees of the Graduate School of Management at Saint Petersburg University

Since 2005: member of the board of trustees, member of the board of the Russian Olympians Foundation non-profit charitable organisation

Since 2004: chairman, member of the presidium of the National Council on Corporate Governance non-profit partnership

Since 2003: chairman of the board of trustees of the State Hermitage Museum

2001–2022: member of the board of trustees of the Solomon R. Guggenheim Foundation (New York, NY)

Since 1995: member of the presidium of the International Foundation for the Unity of Orthodox Christian Nations

### Anton Berlin

Member of the Management Board since 2022

Born in: 1973  
Shares of the Company: 0.002%



#### Education

Faculty of Radio Electronic Equipment, Systems Engineer – Administrator of Production, MATI – Russian State Technological University named after K. E. Tsiolkovsky, 1996

Postgraduate degree, MATI – Russian State Technological University named after K. E. Tsiolkovsky, 1999

#### Experience in the last five years

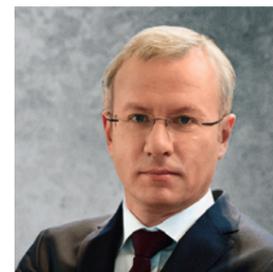
Since 2023: member of the board of directors of Holding Company BYSTRA

Since 2019: Vice President – Head of Sales Divisions of MMC Norilsk Nickel

### Sergey Dubovitsky

Member of the Management Board since 2018

Born in: 1978  
Shares of the Company: 0%



#### Education

Public Relations Specialist with Foreign Language Skills, Moscow State Institute of International Relations (MGIMO University)

#### Experience in the last five years

Since 2021: member of the boards of directors of MPI Nickel Pty Ltd, Norilsk Nickel Africa Pty Ltd, and Norilsk Nickel Mauritius, member of the Executive Committee of Nkomati

Positions at Nornickel: Vice President for Strategic Planning (2016–2019) Vice President – Head of Strategy and Strategic Projects (2019–2020), Senior Vice President – Head of Strategy and Strategic Projects, Logistics, and Procurement (2020–2023), Senior Vice President – Head of Strategy and Business Development (since 2023)

### Marianna Zakharova

Member of the Management Board since 2016, member of the Board of Directors since 2010

Born in: 1976  
Shares of the Company: 0%



#### Education

Bachelor in Law, 1998; Master in Law, 2000, Peoples' Friendship University of Russia

#### Experience in the last five years

Since 2015: First Vice President – Head of Corporate Governance, Asset Management, and Legal Affairs at MMC Norilsk Nickel

<sup>1</sup> Positions are indicated as at 2023-end.

**Larisa Zelkova**

Member of the Management Board since 2013

Born in: 1969  
Shares of the Company: 0%



**Education**

Journalist, Newspaper Literary Editor, Lomonosov Moscow State University, 1991

**Experience in the last five years**

Since 2023: member of the board of trustees of the Vladimir Potanin Foundation

Since 2020: chairwoman of the management boards of the Second School centre for community initiatives in the Pechengsky District and the Monchegorsk Development Agency

Since 2019: member of the councils of the endowment funds for the replenishment of the Tretyakov Gallery's collection and development of its small museums at the State Tretyakov Gallery Foundation non-profit organisation

Since 2018: chairwoman of the board of trustees of the Russian International Olympic University (RIOU) Endowment Fund

Since 2017: chairwoman of the management board and member of the supervisory board of the Norilsk Development Agency autonomous non-profit organisation

Since 2016: member of the board of trustees of the Endowment Fund for Education and Culture (until 2021 – chairwoman)

2015–2020: member of the board of trustees of the Russian Academy of Education

2015–2022: member of the board of trustees of the Hermitage Foundation UK

2014–2023: chairwoman of the board of the Vladimir Potanin Foundation

2011–2020: member of the board of directors of Rosa Khutor Ski Resort Development Company

Since 2011: chairwoman of the management board of the State Hermitage Museum Endowment Fund non-profit organisation

Since 2009: member of the board of trustees of the Pavlovsk Gymnasium private autonomous non-profit organisation

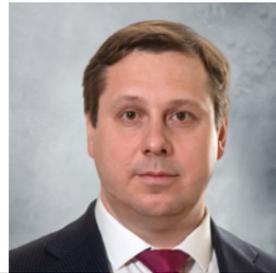
Since 2007: member of the presidium of the MGIMO University Endowment Fund

Positions at Nornickel: Deputy CEO for Social Policy and Public Relations (2013-2015); Vice president – Head of HR, Social Policy, and Public Relations (2015 - 2016); Senior Vice President – Head of HR, Social Policy and Public Relations (since 2016)

**Dmitry Kushnarev**

Member of the Management Board since 2023

Born in: 1979  
Shares of the Company: 0.0000059%



**Education**

Degree in Economics, Financial University under the Government of the Russian Federation, 2008

Degree in Mechanics, Applied Mathematics, Lomonosov Moscow State University, 2001

**Experience in the last five years**

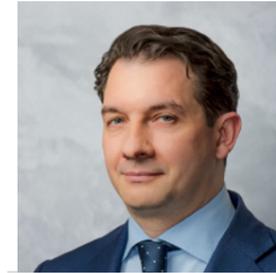
Since 2023: member of the board of directors of Bystra Holding Company

Positions at Nornickel: Director of the Economic Department (2013–2020), Vice President for Economics (2020–2023), Senior Vice President – Head of Sales, Commerce, and Logistics (since 2023)

**Sergey Malyshev**

Executive Director since 2023, member of the Management Board since 2013

Born in: 1969  
Shares of the Company: 0%



**Education**

Mechanical Engineer, specialty – textile and light industry machines and apparatuses, Kosygin State University of Russia

Economist, specialty – finance and credit, Financial University under the Government of the Russian Federation

Degree in Religious Education and Spiritual Development, higher theological courses, Moscow Theological Academy of the Russian Orthodox Church

Public and Municipal Administration retraining programme, Institute of Advanced Training at the Russian Presidential Academy of National Economy and Public Administration

Information Security retraining programme, Moscow State Institute of Electronic Technology

**Experience in the last five years**

Positions at Nornickel: Deputy CEO, Chief Financial Officer (2013-2015); Vice President and Chief Financial Officer (2015- 2016); Senior Vice President – Chief Financial Officer (since 2016)

**Nina Plastinina**

Member of the Management Board since 2013

Born in: 1961  
Shares of the Company: 0%



**Education**

Degree in Chemical Machine and Fixture Building, Mechanical Engineer, Moscow Chemical Machine Building Institute

Postgraduate degree in Economics and Production Management, Bauman Moscow State Technical University

**Experience in the last five years**

Positions at Nornickel: Director of Internal Control Department (2013 – 2015); Vice President – Head of Internal Audit (2015 -2016); Vice President – Head of Internal Control and Risk Management (since 2016)

**Elena Savitskaya**

Member of the Management Board since 2014

Born in: 1972  
Shares of the Company: 0%



**Education**

Degree in Psychology, Psychologist, Psychology Teacher, Moscow Pedagogical State University

**Experience in the last five years**

Positions at Nornickel: Chief of Staff (2013-2015), Vice President – Chief of Staff (since 20215)

**Sergey Stepanov**

Member of the Management Board since 2021

Born in: 1977  
Shares of the Company: 0.001%



**Education**

Lomonosov Moscow State University, 1998: Bachelor in Economics (with distinction)  
2000: Master in Economics (with distinction)

**Experience in the last five years**

Since 2021: Senior Vice President – Operational Director of MMC Norilsk Nickel  
2020–2021: CEO of VSMPO-AVISMA Corporation  
2014–2020: CEO of Raspadskaya  
2012–2020: vice president, head of Evraz’s Coal Division  
since 2022: chairman of the board of directors of Polarniy Lity

**Evgeny Fyodorov**

Member of the Management Board since 2021

Born in: 1978  
Shares of the Company: 0%



**Education**

Degree in Economics and Enterprise Management, Economist/Manager, Bauman Moscow State Technical University, 2001  
Candidate of Economic Sciences, Moscow Power Engineering Institute (Technical University), 2003

**Experience in the last five years**

Since 2023: member of the board of directors of Vareineftegaz  
Since 2021: Vice President – Head of Energy Division of MMC Norilsk Nickel  
2018–2020: member of the board of directors, advisor to the CEO of TRUST SM  
Since 2018: member of the board of directors of Unitile Holding

**Corporate Secretary**

**Pavel Platov**

Corporate Secretary since 2011

Born in: 1975  
Shares of the Company: 0%



The role of the Corporate Secretary is to ensure compliance with the procedures for the protection of shareholder rights and legitimate interests, as prescribed by applicable laws and Nornickel’s internal documents, and to monitor such compliance. According to the Company’s Articles of Association, the Corporate Secretary is appointed by the Board of Directors for a three-year term. The Board of Directors may terminate the office of the Corporate Secretary before the end of the term.

**The Corporate Secretary’s key functions:**

- Involvement in preparing and holding the General Meeting of Shareholders
- Preparing and holding meetings of the Board of Directors and its committees
- Contributing to the improvement of Nornickel’s corporate governance framework and practice
- Managing the activities of the Secretariat
- Other functions in accordance with Nornickel’s internal documents

At present, Pavel Platov is Nornickel’s Corporate Secretary. In December 2021, the Board of Directors extended Pavel Platov’s term as Corporate Secretary by another three years.

**Education**

Linguistics University of Nizhny Novgorod  
Academy of National Economy under the Government of the Russian Federation

**Experience in the last five years**

Since 2011: Corporate Secretary of MMC Norilsk Nickel

**Control system**

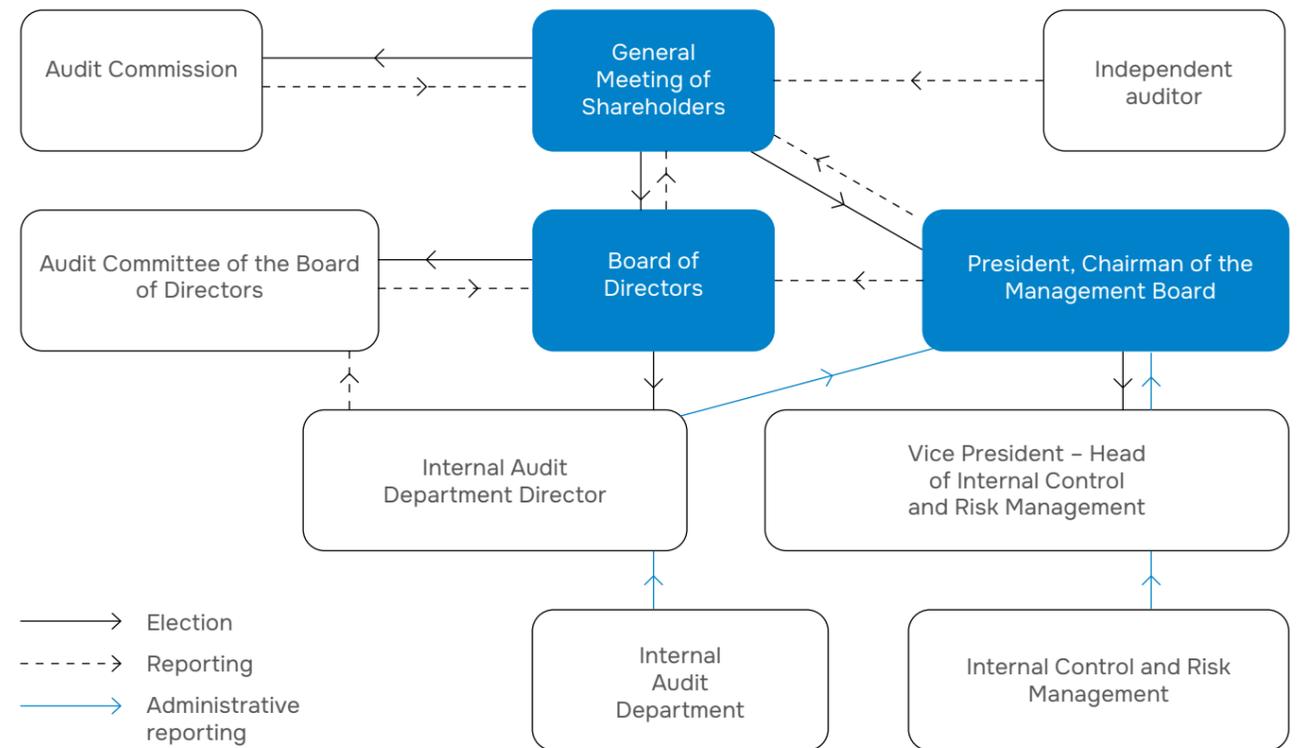
**The Company has in place an internal control system (ICS) covering key business processes and all management levels across the Group.**

The internal control system integrated into the Company’s corporate governance processes is geared towards achieving the goals related to accurate financial reporting and operational efficiency as well as compliance goals.

**The system comprises the following control bodies:**

- ✓ Audit Commission;
- ✓ Audit Committee of the Board of Directors;
- ✓ Internal Audit Department;
- ✓ Internal Control and Risk Management, comprising the Internal Control Department, Risk Management Service, and the Centre for Monitoring Technical, Production, and Environmental Risks

**Control structure**



## Audit Commission

**The Audit Commission is Nornickel’s standing internal control body that monitors its financial and business operations. The five members of the Audit Commission are elected annually at the Annual General Meeting of Shareholders.**

### Audit Commission’s performance

In 2023, the Audit Commission audited Nornickel’s business operations for 2022, with the auditors’ report presented to the

shareholders as part of materials for the Annual General Meeting of Shareholders. Results of the audit of the Company’s business operations for 2023 will be reported to the Annual General Meeting of Shareholders in 2024.

The Annual General Meeting of Shareholders on 6 June 2023 elected the Audit Commission as follows: Alexey Dzybalov, Anna Masalova, Georgy Svanidze, Eduard Gornin, and Elena Yanevich.

## Internal audit

Internal audit at the Company is performed by the Internal Audit Department, which was set up to assist the Board of Directors and executive bodies in better managing the Company and improving its financial and business operations through a systematic and consistent approach to the analysis and evaluation of risk management and internal controls as tools providing reasonable assurance that Nornickel will achieve its goals.

The Internal Audit Department conducts objective and independent audits to assess the effectiveness of the ICS and the corporate risk management system (CRMS). Based on the audits, the Department prepares reports and proposals for senior management on improving internal controls and monitors the development of remedial action plans.

In order to ensure independence and objectivity, the Internal Audit Department functionally reports to the Board of Directors through the Audit Committee and administratively to Nornickel’s

President. The Company has in place an Internal Audit Policy approved by the Board of Directors.

### In 2023, the Audit Committee:

- updated the Guidelines for Assessing the Corporate Risk Management System
- discussed the Department’s performance in 2022, 6M 2023, and 9M 2023, including the results of completed audits, gaps identified, and remedial actions designed by management to improve internal controls and minimise risks
- reviewed the results of internal audit self-evaluation
- reviewed the annual audit plan of the Internal Audit Department
- approved KPI scorecards of the Internal Audit Department Director.

The Audit Committee commended the work of the Internal Audit Department in the reporting period.

### In 2023, the Internal Audit Department audited the following areas:

- Operation of automated process control systems (APCS) at the Company’s production facilities

- Progress on the Company’s strategic investment projects
- Shipping the Company’s cargoes by sea and river
- Corporate governance processes
- Controls over IT assets and IT projects

The Internal Audit Department is strongly focused on driving the adoption of digital data processing methods. For instance, in 2023, the Department leveraged data analysis tools to audit procurement processes, processing significant data volumes and presenting them graphically – the capabilities unlocked by advanced-analytics approaches.

In the reporting year, the Internal Audit Department also performed an annual performance evaluation of the Company’s CRMS and ICS and concluded that CRMS and ICS are generally functioning effectively, there are some comments. The evaluation results were reviewed by an Audit Committee meeting.

Based on the recommendations issued during the audits, management developed corrective

actions and implemented a total of 214 such actions over 2023. The actions included updating regulatory documents, developing new or amending existing control procedures, communicating them to employees, training employees, and identifying and assessing risks.

The Internal Audit Department uses the SAP AM solution to continuously monitor the implementation of initiatives developed by management, with the resulting insights on types and number of initiatives regularly reviewed by the Audit Committee.

## Internal control

The Internal Control Department ensures uniform approaches to ICS building, operation, and development as well as to building a control environment and a system for assessing business process risks, implementing control procedures, and segregating duties and access rights in information systems.

The Internal Control Department regularly monitoring the Company’s high-risk business processes:

- Procurement and investing activities;
- Capital construction and corporate insurance transactions
- The existing systems of accounting for metal-bearing products.

The Company also continuously monitors compliance with regulatory requirements to combat the unlawful use of insider information and market manipulation, as well as money laundering, terrorist financing, and proliferation financing.

The performance and maturity of internal control system elements are evaluated annually as part of an external financial statement audit and ICS self-evaluation. Reports containing the ICS evaluation results are reviewed by Nornickel’s management and the Audit Committee of the Board of Directors.

The Company maintains data on its ICS in a SAP GRC PC information system, runs procedures to assess its effectiveness, and prepares relevant reports.

### Corporate Trust Line

Nornickel runs its Corporate Trust Line (CTL) speak-up programme established to respond promptly to:

- any irregularities
- embezzlement or misuse of Company property
- any actions that may be viewed as corruption, abuse of power, bribery, or fraud
- violation of employees’ rights
- breach of ethical standards or rules of conduct by employees.

Employees, shareholders, and other stakeholders can report any actual or potential actions that cause financial or reputational damage to Nornickel.

All reports submitted via the line are registered, assigned a unique number, and thoroughly investigated.

Nornickel will in no circumstances retaliate against a whistleblower who raises a concern via the CTL, meaning that no disciplinary action or sanction

### Key CTL principles

1. Keeping reports confidential
2. Keeping whistleblowers anonymous
3. Investigating all submitted reports in a timely and objective manner

will be taken (including employees’ dismissal, demotion, forfeiture of bonuses, etc.). If pressure on a whistleblower is reported, the Company conducts mandatory investigations of such reports and thoroughly reviews their findings. Whistleblower status is regularly monitored at all levels to identify cases of undue pressure. In 2023, the Company introduced mechanisms to provide feedback to whistleblowers and collect satisfaction data from them through a feedback form for comments on complaint/report investigation and handling.

Complaints/reports about violations of ethical standards or rules are considered at meetings of commissions established by the head of the Company's division or Group entity requested to investigate the complaint/report. If a report about employees violating corporate ethical standards or unresolved personal conflicts is confirmed, management takes steps to resolve conflict situations, once again explains the need for employees to comply with ethical business standards, and holds town-hall meetings. Employees can be disciplined over violating ethical standards and principles.

**Anti-corruption**

Nornickel believes that honest, transparent, and ethical business conduct, as well as a strong culture, helps strengthen the Company's

**Reporting channels (24/7):**

- ☎ 8 (800) 700-19-41, 8 (800) 700-19-45
- ✉ skd@nornik.ru
- 🌐 Reporting form on Nornickel's website: [Corporate Trust Line – Nornickel \(nornickel.ru\)](https://www.nornickel.ru/corporate-trust-line)
- ✉ Mailing address: Corporate Trust Line of MMC Norilsk Nickel, 15 1st Krasnogvardeysky Drive, Moscow, 123112, Russia
- 📱 Corporate application NIKA (for employees)

business reputation and build trusting relations with investors, partners, employees, and other stakeholders.

In its day-to-day operations, Nornickel has zero tolerance for any corrupt practices, complying with anti-corruption laws of Russia and other countries in which it operates and recognising the importance of implementing and complying with procedures to prevent corruption.

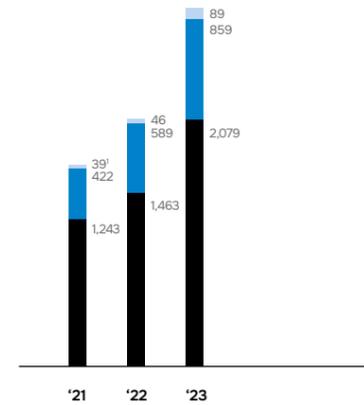
Members of Nornickel's Board of Directors and Management Board role model a zero-tolerance approach to corruption in any form or manifestation at all levels across the organisation.

To ensure compliance with legal requirements and rules of ethical and transparent business conduct, Nornickel has put in place and is continuously improving an anti-corruption compliance system focussed primarily on preventing and mitigating corruption risks and strengthening the commitment of Company employees to high ethical standards. Anti-corruption standards have been approved across the Group

The Company takes regular steps to identify and analyse corruption risks and manages them within its

**The Company is annually included in the Anti-corruption Ranking of Russian Business. Following a comprehensive independent evaluation of the Company's anti-corruption management system carried out in 2023, Nornickel received the top rating, AAA+++, reflecting management's particular commitment to developing and improving the system to prevent and combat corruption.**

**CTL report statistics**



- Including reports about violations of ethical standards or principles
- Total number of reports that triggered investigation
- Total number of reports

QR code: Detailed report statistics are published annually in the Sustainability Report.

<sup>1</sup> In 2021, reports of violations of ethical standards and principles were classified as Production-Related Abuses.

overall risk management system, including control and monitoring of anti-corruption measures and procedures, and uses a wide range of tools to assess and eliminate potential corruption risks when engaging with counterparties.

Nornickel strives to maintain respectful, strong business relations with its partners and does not prohibit giving and receiving business gifts, which is common business practice. The requirements and criteria concerning business gifts are set out in the Regulations on Business Gifts applicable to all Company employees.

The Company is committed to minimising corruption risks of the current and new business processes, so its internal documents are subject to regular anti-corruption due diligence to ensure that they present no potential for corruption. If such potential is identified, the document owner is advised to amend the paragraph or section in question as necessary.

Once every two years, we submit a declaration to the Anti-corruption Charter of the Russian Business to prove our compliance with anti-corruption requirements.

**Nornickel will not tolerate any retaliation, disciplinary or other action against an employee who reports a concern about suspected bribery or corruption, or refuses to offer a bribe, facilitate bribery, including commercial bribery, or take part in any other corrupt activities.**

**Facilitation payments and political contributions are strictly prohibited by Nornickel's policy.**

Nornickel annually publishes statistics on recorded corruption incidents in its Sustainability Report, demonstrating its commitment to openness and transparency to stakeholders.

Compliance with the Company's anti-corruption principles is achieved when each employee feels a strong sense of personal ownership. When recruited, all Company employees take an induction briefing in compliance with anti-corruption laws, familiarise themselves with anti-corruption documents, and sign an agreement setting out their anti-corruption responsibilities, on a mandatory basis.

Nornickel also provides employees with regular training in anti-corruption, involving them in anti-corruption programmes. The Company delivers effective training culminating in tests and tailored to different target

audiences: for example, all employees take an annual anti-corruption training course online, all HR employees – a course on anti-corruption compliance for HR services, and members of the Board of Directors and of the Management Board – an online course on anti-corruption for managers. As of the end of 2023, 100% of employees were trained to be familiar with the Group's anti-corruption policies and methods. Over the year, the training on statutory requirements and provisions of corporate anti-corruption regulations covered about 26 thousand people.

One of the focus areas in anti-corruption compliance is managing conflicts of interest, which are the most common cause of corruption. The Regulations on the Prevention and Management of Conflicts of Interest in place require any pre-conflict situations to be disclosed and timely measures to be taken to prevent any potential appearance of conflict of interest. The Company set up standing conflict of interest commissions across the organisation to enhance the effectiveness of preventing, identifying, and resolving conflicts of interest, as well as to ensure legal compliance and improve corporate culture.

The Company strives to uphold and promote a culture of zero tolerance for corruption. To do this, the Company maintains various channels to report corruption. All employees of the Group and its partners have free and convenient access to information

about the documents and current measures to combat corruption, available on the Company website in the dedicated Anti-corruption section.

In order to mitigate potential risks associated with contractor engagement, Nornickel evaluates business standing, integrity, and solvency of its potential counterparties. To prevent procurement misconduct and maximise value capture through unbiased selection of best proposals, Nornickel's procurement owner, customer, and secretary of a collective procurement body adhere to the following rules:

- Procurement relies on the principle of division of roles
- Commercial proposals submitted by suppliers are compared using objective and measurable criteria approved prior to sending a relevant request for proposal

- The selection results and the winning bidder in the material procurement process are approved by the collective procurement body comprised of representatives from various functions of Nornickel
- A Master Agreement containing an anti-corruption clause is signed with each supplier or updated on an annual basis the anti-corruption clause outlines the course of action to be taken between the supplier and Nornickel with respect to risks of abuse. Moreover, by signing the Master Agreement, suppliers acknowledge that they have read the Company's Anti-corruption Policy

In 2023, to develop and improve its anti-corruption compliance system, the Company:

- approved a uniform approach to assessing corruption risks when engaging with counterparties

- updated and launched Anti-corruption and Anti-corruption for Managers, remote learning courses across the Group
- surveyed employees on the effectiveness of its anti-corruption measures
- delivered a training campaign on managing conflicts of interest for the Group employees responsible for implementing anti-corruption procedures
- revised and updated its anti-corruption procedural documents.

The [Anti-corruption](#) section on the Company website provides information on its anti-corruption regulations and measures taken to combat and prevent corruption.

Over the past three years, the Corporate Trust Line (CTL) has not received any reports classified as "corrupt practices".

**Statistics on CTL corruption reports**

| Item                             | 2021 | 2022 | 2023 |
|----------------------------------|------|------|------|
| Number of CTL corruption reports | 0    | 0    | 0    |

**Antitrust compliance**

The antitrust compliance system in place at the Company since 2017 establishes the processes for the timely prevention, identification, and elimination of causes and conditions facilitating antitrust violations and ensures compliance of the Company and its corporate entities with applicable laws.

Federal Law No. 135-FZ On Protection of Competition, dated 26 July 2006, was amended in 2020 to set requirements for internal antitrust compliance regulations of organisations and establish the right of organisations to submit these regulations to the Federal Antimonopoly Service and obtain

**In 2023, as in previous years, no antitrust violations by Nornickel were identified, and no administrative action was taken for such violations.**

its opinion upon confirmation of compliance. The Company was the first in Russia to use the new statutory procedure to obtain a confirmation of the Federal Antimonopoly Service that its antitrust compliance system meets legal requirements, issued on 25 March 2021.

Nornickel carried out an internal assessment and identified business units whose activities are exposed

to antitrust risks. At such units, the Company designated antitrust compliance owners and briefed them on the applicable prohibitions and restrictions stipulated by antitrust laws. Management decisions in the Company are made taking into account the requirements of the antitrust regulations.

**Corporate security**

Nornickel's corporate security system management is based on a set of programmes to ensure corporate and economic security.

In furtherance of the Corporate Fraud Policy approved by the Company's Board of Directors, the Company is building consistent measures to prevent, identify, and combat abuses, corporate fraud, and corrupt practices. The Company deploys the following measures to shore up economic security:

- Incorporating signs of price fixing, conflict of interest, lobbying for bidders, unreasonable restrictions, etc. as red flags into the procurement system

- Optimising the counterparty due diligence methodology
- Developing a corporate fraud training course and incorporating it into the framework of training courses for Group employees

In 2023, we deployed a comprehensive corporate security solution for the Group's strategic investment projects, shoring up economic protection for the Company's legitimate interests in its engagements with contractors, staff security, and site security.

In 2023,

**> 520 TRAININGS**

**242 GENERAL DRILLS**

**22 TACTICAL AND SPECIAL DRILLS**

were conducted to maintain a high level of emergency preparedness across facility security teams and equipment.

The operation of a dedicated unit, the Centre for Forensic Chemistry Research and Examinations featuring a range of modern analytical equipment, was taken to a fundamentally new level to address essential tasks of ensuring the economic security of production assets. This has significantly expanded the Centre's functions and unlocked a wide range of research aimed at providing technical assistance to production units as

well as control and analytical teams in quality assurance, investigation of the root causes of shop-floor emergencies, in-depth chemical, mineralogical, and structural studies of materials and substances when developing new technologies for concentration and metallurgical facilities or when running special external quality control processes and verifying the reliability of non-ferrous and precious metal analysis. The Comprehensive Methodology for

Analysis and Identification of Metal-Containing Materials developed by the Centre was praised by members of the International Platinum Group Metals Association.

Measures to protect production, transport, and energy sector facilities against terrorism and to prevent unlawful interference in their operations are implemented on a scheduled basis.

## Information security

**In 2023, the Company revised its approach to information security to reflect external challenges and the Russian market's specific profile. The information security function was reorganised, and a strategy for its further development was designed and approved. Among other things, it envisages continued efforts around import substitution of information security solutions as well as the transition to a service-based model.**

The Company took extra steps to protect its enterprises' technological infrastructure and mitigate risks, as the number and complexity of cyber attacks continued to grow and some of Company employees were still remote, which called for measures to shore up the information security of corporate resources and infrastructure.

The Company is continuously monitoring the security of its systems to promptly identify and address vulnerabilities as well as prevent cyber intrusions.

**Nornickel Sfera, a Company subsidiary, provides all key information security and process protection services to Group enterprises. Established in 2022 and leveraging a wide range of technical competences, Nornickel Sfera was staffed up in 2023, with its range of services expanded to match the needs and profiles of Nornickel's businesses.**

### Programmes

The Company has in place relevant information security processes, including:

- identification and classification of data assets
- managing access to data assets
- security analysis
- risk management
- information security incident management
- information security architecture management
- monitoring and using data protection tools
- review of information technology and automated process control system (APCS) projects for compliance with information security requirements.

In 2023, as part of an ongoing process of identifying and classifying data assets, the Company continued to actively implement plans to bring its data assets in line with corporate information security standards by rolling out the necessary solutions and information security tools.

### APCS protection

In 2023, Nornickel revised its approach to process protection relying on domestic solutions. The Company's priority remains unchanged: to roll out basic protection measures (tools and systems) to the maximum number of enterprises and production sites using APCSs. Particular attention is paid to compliance with regulatory requirements for the protection of industrial automation systems. As previously planned, the Company has completed the deployment of basic process safeguards across

major production sites of the Norilsk Division as well as at the gas industry enterprise producing and transporting energy to the Norilsk Industrial District.

In 2023, the Company ran an internal audit to evaluate how process safeguards are managed at Nornickel as well as the overall approach to protecting automated process control systems, and the effectiveness of technology infrastructure security measures. The audit gave the information security function good marks:

- The Company runs projects to create systems that protect production/industrial processes; a procedure has been established to deploy APCS safeguards in line with global best practice
- Procedural documents regulating information security and technical support for APCSs are in place at the Company-wide level.

Audit recommendations will be implemented in 2024 to boost the overall security of our APCSs.

### Import substitution

Since many foreign suppliers of information security solutions have left the Russian market, as well as to comply with new legal requirements, Nornickel continues to drive the import substitution process, including for industrial automation systems. The Company has compared and selected 100% of information security solutions for first-priority data protection tools and 65% of solutions for second-priority data protection tools. In 2023, Nornickel launched projects to deploy the selected data protection tools. The Company plans to replace

imported basic data protection tools with domestic alternatives across the Group's most critical enterprises no later than in 2026 while complying with all legal and regulatory requirements. This import substitution process is expected to be completed no later than in 2028 across all Group enterprises.

### Cyber incident response system

The Company's cyber incident response unit operating as part of the Company's information security function uses a range of advanced technical solutions and leverages best practices in managing cyber defence. Nornickel continues to scale its seamless information security processes and procedures that have been previously developed and documented to boost the function's resilience in the event of incidents and emergencies. These procedures are tested for relevance at least once a quarter.

Any Nornickel employee detecting any suspicious content or activity on company devices can send an alert to the information security team for investigation. Experts assess the possible negative impact on the Company's information systems and take measures to prevent and eliminate the consequences of incidents. Over 6 thousand investigations into incidents reported by Nornickel employees were conducted over the year.

During the year, the information security team handled over 1 thousand incidents and over 18 thousand information security events in total.

The information security function has traditionally worked closely with industry partners and regulators. The Company has maintained its positive partnership with the National Coordination Centre for Computer Incidents, with a relevant cooperation agreement already in its second year.

**Vulnerability management**

In 2023, the Company maintained its focus on the practical aspects of information security by managing vulnerabilities and analysing the security of corporate resources in order to minimise risks and ensure their resilience against existing cyber threats in a fast-changing digital environment.

The use of advanced security analysis methods helped identify and promptly address weaknesses in 57 existing systems. Regular penetration testing helped the Company assess its preparedness for advanced cyberattacks. New vulnerability management strategies were developed and deployed over the year to address new manipulation techniques used by cyber attackers and ensure the continuous security of the Company's systems.

In an effort to continuously improve its information security, the Company has been successfully delivering on its DevSecOps strategy (Development, Security, and Operations: a process that ensures security throughout the entire software development life cycle), which integrates security elements directly into software

development and operation, driving more effective and transparent security management throughout the app life cycle.

The Company has committed to driving the secure development of three key mining projects as part of the Metallurgy Industrial Competence Centre (ICC) to actively engage in cutting-edge technology and best practice sharing while also delivering unique industry-specific solutions. The process being deployed has shown that DevSecOps principles and practices are effective in early detection and rapid responses to potential cyber threats.

**Training and communication**

The Company is strongly focused on improving employee awareness about information security principles and digital hygiene. In 2023, the Group set a global goal to enhance information security culture among all of its employees.

Employees are trained on an annual basis, including on newly emerging cyber threats and risks. A total of 95 scheduled and 19 unscheduled trainings (including e-courses and face-to-face lectures) were held in 2023, where 34,104 Group employees were trained.

Furthermore, the Company runs regular drills including simulations of phishing attacks and other unlawful practices that affect users. Following the drills, instructions for employees are updated.

In addition, the Company uses regular dedicated newsletters to improve employee awareness about current information security threats and digital hygiene.

**> 1 THOUSAND INCIDENTS** were processed by the information security team over the year

**> 18 THOUSAND** information security events handled

**> 6 THOUSAND INVESTIGATIONS** conducted over the year into incidents reported by Nornickel employees

**Certification**

In line with international best practices, Nornickel enterprises have in place information security management systems (ISMSs) compliant with ISO/IEC 27001:2013 requirements. An ISMS compliant with international standards helps systematise and structure information security support processes while building an effective matrix of controls and ensuring timely risk identification and mitigation.

Strong management engagement in ISMS processes and preparedness of the enterprises to respond to new threats and challenges earned praise from an external auditor following the audits conducted at Nornickel's sites in 2023. Employees involved in the operation of the ISMS showed excellent knowledge of information security.

Thanks to the continuous improvement effort around information security management processes, Nornickel's projects to develop and implement advanced cyber security solutions for industrial assets have been repeatedly recognised by the professional community and industry associations.

To further maintain information security processes at a high maturity level, Nornickel's enterprises have planned a series of audits for 2024 to transition to ISO/IEC 27001:2022.

**Top management engagement**

Nornickel's Information Security Policy applies to all employees and includes the engagement boundaries and responsibilities of the Board of Directors and the Management Board in this regard. Their responsibilities include, among other things, reviewing information security risks and budgets for relevant programmes and projects. Risks are monitored on a regular basis through dedicated committees and corporate reporting.

**95 SCHEDULED AND 19 UNSCHEDULED CYBERSECURITY TRAININGS**

held in 2023

**34,104 EMPLOYEES**

trained in 2023

In 2023, five of Nornickel's enterprises had the high effectiveness of their information security management processes confirmed:

1. Murmansk Transport Division
2. Kolskaya Mining and Metallurgical Company (Kola Division)
3. Nadezhda Metallurgical Plant (Norilsk Division)
4. Copper Plant (Norilsk Division)
5. Talnakh Concentrator (Norilsk Division)

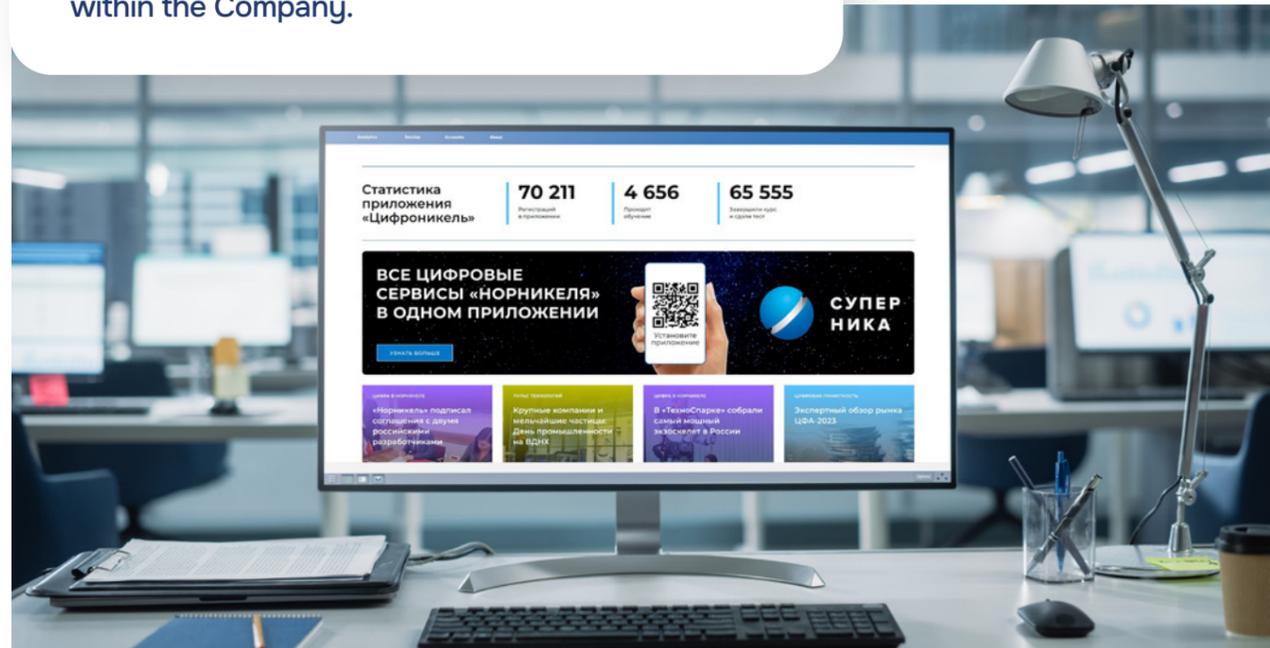
**Cross-functional collaboration**

In 2023, Nornickel put its Supernika corporate application into commercial operation. The app is a single space for digital services and communications within the Company.

Built on a commercial platform, the application is available to any Nornickel employee anytime from any company or own device. As part of the project, the Company placed a particular emphasis on the app's information security aspects. Nornickel initiated significant updates to the application

to bring it into compliance with internal regulations. As a result, many updates were migrated to the publicly available version of the platform, making a valuable contribution to stronger information security of corporate communications across the country on the whole.

**In 2023, Nornickel put its Supernika corporate application into commercial operation. The app is a single space for digital services and communications within the Company.**



**Partnerships and best practice sharing**

For more than six years now, the Information Security in Industry Club initiated by Nornickel has been one of the most respected associations for information security and IT managers of major Russian industrial holding companies. The Club has become a recognised platform for sharing experience and best practices in protecting information systems as well as for maintaining public-private dialogue, including on topical matters such as industry-specific legislation and import substitution in information security.

Prompted by changes in the external environment and emerging new digital challenges and threats, the Club updated its agenda in 2023, including by moving into new corporate security areas. The Club has doubled its membership to over 70 Russian businesses now, including flagship companies from key industries.

In international information security, Nornickel cooperates with the Security Council and the Ministry of Foreign Affairs of the Russian Federation, contributing to the development and discussion of position papers in this area. The Company also participates in the National Association for International Information Security.

Nornickel is committed to contributing to the development of the information security market for the industrial segment. The Company actively engages with providers of information security solutions in this area.

In 2023, the Company was the first among other customers to run a public meeting with developers and vendors of information security products and services. At the meeting, Nornickel's information security team members shared information on their approaches and requirements, customer expectations, and outlooks for productive collaboration under the import substitution programme. Over 200 Russian companies (information security market players and industry partners) took part in the meeting.

The parties plan to jointly develop proposals to improve, test, and implement information security solutions for industrial systems, including those ensuring an uninterrupted production cycle and business process integrity at Nornickel.

**In 2023, guided by the principles of open and productive collaboration, the Company entered into three strategic agreements with the information security market leaders: Kaspersky, Security Vision, and R-Vision.**

**> 70**  
**RUSSIAN COMPANIES**  
are currently members of the Information Security in Industry Club

**> 200**  
**REPRESENTATIVES OF RUSSIAN COMPANIES**  
took part in the Company's public meeting with developers and vendors of information security products and services

**Personal data protection**

The Company has implemented and put in practice a set of organisational and technical measures to protect the personal data (including third parties' personal data) of different types of owners and ensure compliance with Russian laws. Technical protection involves anti-virus protection, leak prevention, monitoring of removable devices, and analysis of security incidents.

The Company places a heightened emphasis on maintaining legal compliance of its personal data processing. The Company has

**Face-to-face trainings conducted for enterprise staff have proven to be an effective tool to raise awareness about personal data protection. In 2023, such trainings were delivered to more than 200 employees.**

developed and continuously updates its Personal Data Compliance Guidelines. In 2023, in line with these Guidelines, 13 Group

enterprises brought their personal data processing procedures into compliance with legal requirements and the Company's local regulations.

**Independent audit**

An independent auditor for Nornickel's financial statements is selected through competitive bidding in accordance with the Company's established procedure. The Audit Committee of the Board of Directors reviews the shortlist and makes a recommendation to the Board of Directors on the proposed auditor to be approved by the Annual General Meeting of Shareholders of MMC Norilsk Nickel.

In 2023, on the recommendation of the Board of Directors, the General Meeting of Shareholders approved Kept as the auditor for RAS and IFRS financial statements for 2023.

The Audit Committee of the Board of Directors recorded no comments to the auditor's reports, praised the quality of materials supporting financial statement reconciliation, and described Kept's performance as the Company's auditor in 2023 as effective.

**AT 13 GROUP ENTERPRISES**  
personal data processing procedures were brought into compliance with legal requirements in 2023

**Remuneration report**

The Board of Directors directly supervises the remuneration framework at Nornickel. The Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors is responsible for:

- developing the Remuneration Policy for Members of the Board of Directors, Members of the Management Board, and the President of Nornickel

- overseeing the implementation and execution of the Policy
- reviewing the Policy on a regular basis.

Nornickel does not issue loans to members of the Board of Directors and of the Management Board but encourages them to invest in Nornickel shares.

Remuneration paid to members of the Board of Directors and of the Management Board in 2023 totalled RUB 6.6 billion (USD 77.9 million).<sup>1</sup>

**Directors' remuneration**

The Board of Directors' annual remuneration is set out in the Remuneration Policy. By resolution of the General Meeting of Shareholders, members of the Board of Directors are remunerated for their service on the Board of Directors and reimbursed for expenses incurred by them in performing their duties as Board members. Members of the Company's Board of Directors are covered by liability insurance at the Company's expense under the directors' liability insurance programme. In addition, indemnity agreements are signed with members of the Board of Directors, covering the losses that they may incur in connection with their service on the Board of Directors. The Corporate Governance Code recommends that companies pay for their directors' liability insurance to be able to recover potential losses through the insurer.

non-executive directors, due to the Chairman's enhanced scope of expertise and responsibilities. Subject to a resolution of the General Meeting of Shareholders, the Chairman of the Board of Directors may be entitled to additional remuneration and benefits other than those set out in the Policy. Under the Policy, the annual base remuneration of the Chairman of the Board of Directors is USD 1 million. The Chairman of the Board of Directors is not entitled to any additional remuneration for serving on Board committees.

Non-executive directors are not eligible for any forms of short-term or long-term cash incentives, or non-cash remuneration, including shares (or share-based payments), share options, benefits package, or pension plans.

**Remuneration of the Chairman of the Board of Directors**

Remuneration of the Chairman of the Board of Directors differs from the remuneration payable to other

**Remuneration of non-executive directors**

All non-executive directors receive equal remuneration. The Policy sets forth the following annual remuneration for non-executive directors:

- Base remuneration of USD 120 thousand for Board membership
- Additional remuneration of USD 50 thousand for serving on a Board committee
- Additional remuneration of USD 150 thousand for chairing a Board committee

**Remuneration of executive directors**

In line with the approved Policy, executive directors do not receive any additional remuneration for their service on the Board of Directors to avoid any potential conflict of interest.

<sup>1</sup> The amount of remuneration paid does not include the remuneration accrued but not yet paid as at 2023-end, as well as insurance premiums and voluntary health insurance (VHI) contributions. Adding the amounts above, remuneration of members of Nornickel's governance bodies for 2023 as per the IFRS statements totalled RUB 7.7 billion (USD 90 million).

### Directors' remuneration

| Type   | 2023         |            |
|--|--------------|------------|
|  | RUB mln      | USD mln    |
| For serving on the Board of Directors and Board committees | 373.7        | 4.4        |
| Salary   | 31.5         | 0.4        |
| Bonuses  | -            | -          |
| Reimbursement  | 0.2          | 0.003      |
| Other  | -            | -          |
| <b>TOTAL</b>   | <b>405.4</b> | <b>4.8</b> |

## Remuneration of executive bodies

In line with Nornickel's Articles of Association, the remuneration and reimbursement payable to members of the Management Board are determined by the Board of Directors.

Remuneration of members of the Management Board is fixed. Remuneration of the Company's senior management, including individuals who are members of the Management Board, is comprised of basic salary and bonuses (variable part). Bonuses comprising the variable part of senior management's remuneration are

based on the KPI system aligned with Nornickel's strategic goals, depend on the Company's performance, and are linked to both financial (EBITDA) and non-financial metrics (work-related injury rate (weight: 10%), GHG reduction (weight: 5%), zero environmental incidents (weight: 5%), and other individual KPIs). KPIs are updated on an annual basis by the Corporate Governance, Nomination, and Remuneration Committee of the Board of Directors. In 2023, KPIs for industrial safety, occupational health, and environment had a significant

weight (20%) in senior management's KPI scorecards, which confirms that safety culture remains top of mind for Nornickel.

Determining the remuneration and reimbursement payable to the Company's President is within the remit of the Board of Directors. Remuneration payable to the President is comprised of basic salary and bonuses. The Board of Directors decides whether to pay the President of the Company a performance bonus for the reporting year.

### Remuneration of Board members and the President

| Type                                | 2023           |             |
|-------------------------------------|----------------|-------------|
|                                     | RUB mln        | USD mln     |
| For serving on the Management Board | 2.5            | 0.03        |
| Salary                              | 3,131.3        | 36.7        |
| Bonuses                             | 3,094.7        | 36.3        |
| Other                               | 5.2            | 0.1         |
| <b>TOTAL</b>                        | <b>6,233.7</b> | <b>73.1</b> |

## Audit Commission's remuneration

The Annual General Meeting of Shareholders held on 6 June 2023 set total remuneration at RUB 1.8 million per year (before taxes) for each member of Nornickel's

Audit Commission who is not an employee of the Company. The above remuneration level is similar to the remuneration rate set for members of the Audit Commission

in 2022. Members who are Nornickel employees are not paid remuneration for their work as part of the Audit Commission. No bonuses or other rewards were paid in 2023.

### Audit Commission's remuneration

| Type                                | 2021    | 2022    | 2023    |         |
|-------------------------------------|---------|---------|---------|---------|
|                                     | RUB mln | RUB mln | RUB mln | USD mln |
| For serving on the Audit Commission | 7.2     | 7.2     | 7.2     | 0.084   |

## Auditor

### Auditor's fee

The fee paid to Kept for its audit and auxiliary audit services as well as other audit-related services in 2023 totalled around RUB 232 million (USD 2.7 million), net of VAT, with the share of other audit-related services (non-audit services) accounting for 30% of the total.

To prevent conflict of interest, Kept has in place a specific policy covering different types of services they provide to auditees, which complies with the requirements of the International Ethics Standards Board for Accountants (IESBA), the Russian Independence Rules for Auditors and Audit Firms, and other applicable standards.

### Auditor's fee

| Service type             | 2021         | 2022         | 2023         |            |
|--------------------------|--------------|--------------|--------------|------------|
|                          | RUB mln      | RUB mln      | RUB mln      | USD mln    |
| Audit                    | 131.2        | 116.9        | 125.8        | 1.5        |
| Auxiliary audit services | 42.3         | 57.3         | 36.7         | 0.4        |
| Other audit services     | 161.6        | 165.6        | 69.7         | 0.8        |
| <b>TOTAL</b>             | <b>335.1</b> | <b>339.8</b> | <b>232.2</b> | <b>2.7</b> |

# Risk management

## Risk management system

The existing corporate risk management system is integrated into the Company's business processes and enables effective risk-based decisions at various organisational levels to achieve strategic and operational goals.

Nornickel has set the following key risk management objectives:

- Increase the likelihood of achieving the Company's goals
- Improve resource allocation
- Boost Nornickel's investment case and shareholder value

The risk management system is based on the principles and requirements set forth in Russian laws, as well as professional standards, including the Corporate Governance Code recommended by the Bank of Russia, GOST R ISO 31000-2019 Risk Management. Principles and Guidelines, COSO Enterprise Risk Management – Integrating with Strategy and Performance, and Recommendations for Public Joint Stock Companies to Organise Risk Management, Internal Controls, Internal Auditing, and the Work of Auditing Committees under Boards of Directors (Supervisory Boards) (Appendix to the Bank of Russia's Letter No. IN-06-28/143 dated 1 October 2020).

To manage production and infrastructure risks, Nornickel develops, approves, updates, and tests business continuity plans to maintain operations and take recovery steps in case of emergency.

### Risk management framework

- Approving the corporate Risk Management Policy
- Supervising the development of the risk management system
- Approving the Corporate Risk Appetite Statement (annually)
- Managing strategic risks on an ongoing basis
- Reviewing and approving the risk management development roadmap and assessing its implementation status (annually)
- Reviewing reports on strategic and key risks (annually/quarterly)
- Assessing risk management performance at Nornickel (annually)

Board of Directors

Audit Committee of the Board of Directors

Internal audit

- Making independent assessments of the effectiveness of risk management, internal controls, and corporate governance (annually)

Internal control

- Methodological support and participation in risk assessment of business processes

Management Board

Risk Management Committee of the Management Board

- Reviewing strategic risks and reports on key risks
- Reviewing materialised risks and lessons learned
- Reviewing risk appetite metrics
- Making decisions related to key risk management
- Reviewing business continuity plans
- Reviewing the strategy and development plans for the Corporate Risk Management System (CRMS) and Internal Control System (ICS)
- Reviewing the performance of dedicated risk management committees within business verticals

Risk Management Service

- Developing and updating the risk management methodology
- Preparing reports on Nornickel's top risks (quarterly)
- Preparing reports on strategic risks (annually)
- Enhancing quantitative risk assessment with simulation modeling tools
- Improving the Company's business continuity management system
- Introducing the practice of using risk appetite
- Ensuring employee training in practical approaches to risk management

Risk owners

- Day-to-day risk management within the integrated risk management model, including risk identification, analysis, assessment, and/or prioritisation, as well as development and execution of response plans and mitigation measures
- Risk-based decision making

In 2023, the Company completed the following projects/initiatives to develop, improve, and maintain the maturity of its risk management system:

- Piloted a project to automate project risk management via the existing GRC-based system, and automated links between risks and control procedures for environmental risks
- Ran a quantitative assessment of the cumulative impact of risks on functional strategies
- Prepared training materials on project risk management
- Trained employees of the Kola and Norilsk Divisions on environmental risk management
- Maintained regular activities of the Management Board's Risk Management Committee and dedicated function-level risk management committees
- Improved integration between risk management and budget planning processes through GRC-based automation tools

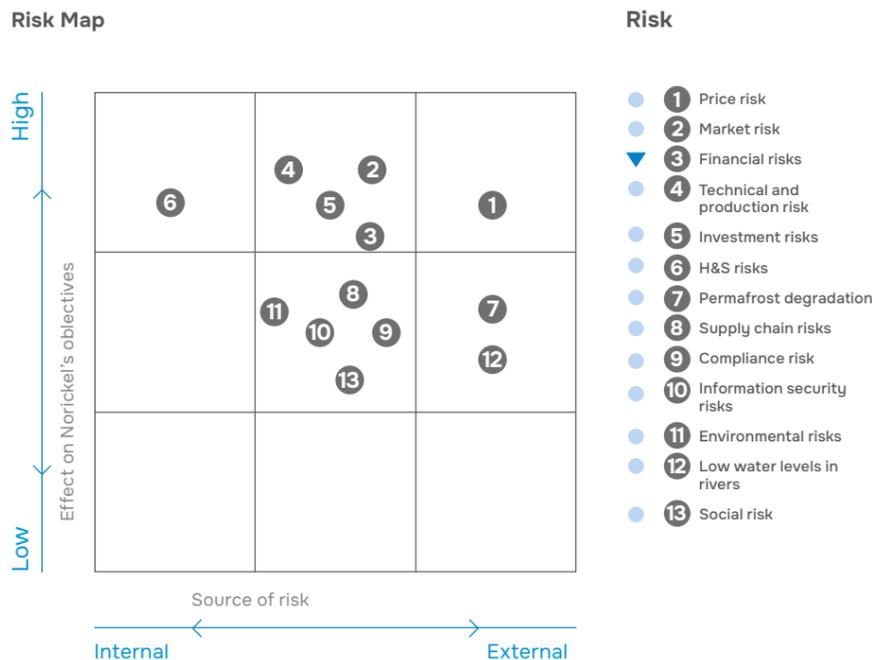
- Ran a quantitative assessment of the cumulative impact of key risks on the Company's 2024 budget, as well as an analysis of the budget sensitivity to key risks, with follow-up risk management measures included in the budget
- Broke down the Company's risk appetite into lower organisational levels, set up monitoring of relevant metrics, and completed process automation
- Further improved quantitative assessment tools for operational risks
- Ran regular quantitative assessments of investment risks
- Had the risk management system's maturity independently assessed by a third party, confirming its high maturity level
- Developed the concept for assessing long-term climate-related risks as part of a project to ensure compliance with TCFD recommendations

In line with risk management system improvement plans for 2024, the following areas have been prioritised:

- Further automating risk management processes and system functionality
- Expanding the scope of quantitative risk assessment in strategic and operational planning
- Enhancing the methodology to analyse, assess, and manage various categories and types of risks
- Applying and enhancing the concept for assessing long-term climate-related risks in line with TCFD requirements

A high-level map of Nornickel's material risks leverages global best practices in risk management. The risk map ranks material risks by effect on the Group's objectives and by source.

Map of Nornickel's material risks with year-on-year changes in 2023



**Risk:** effect of uncertainty on objectives (ISO/GOST R 31000).

**Risk source:** element which alone or in combination has the potential to give rise to risk (ISO/GOST R 31000). The assessment takes into account the predominance of external or internal factors.

**The Effect on Nornickel's Objectives scale shows the relative impact of risks.**

- По сравнению с прошлым годом
- ▲ Risk increased year-on-year
  - ▼ Risk decreased year-on-year
  - Risk has not changed year-on-year

Changes in risk status in 2023 reflect the continued or increased effect of multiple external factors on the Company as it adapted to a new normal.

**Key strategic risks**

The Company's strategic risks were updated in 2023. Nornickel sees the following groups of risks as its key risks:

- Lower demand for the Company's products
- Lower productivity and disruptions of operations
- Mismatch between Nornickel's financial position and its growing strategic development needs
- Failure to achieve targets to reduce environmental footprint

**Insurance**

Insurance is an essential tool used to manage risks while protecting the property interests of Nornickel and its shareholders against any unforeseen losses related to operations, including due to external effects.

Nornickel has centralised its insurance function to ensure the consistent implementation of its uniform insurance policy and standards. The Company annually approves a comprehensive programme that

defines key parameters by insurance type, key business area, and project. Nornickel has developed and implemented a corporate insurance programme that covers assets, equipment failures, and business interruptions across the Group as well as enterprises in the core production chain, all on the same terms. The directors' and officers' liability, freight, construction and installation, vehicle, and other types of liability insurance programmes of the Company are also centralised and promote continuity.

Nornickel maintains insurance contracts with major Russian insurers.

The Company applies industry best practice and leverages insurance market trends to negotiate the best insurance and insured risk management terms.

Key risks

Nornickel's risks are all inherent to its strategic and operational development and business continuity goals. Key risks have a varying degree of effect on Nornickel's objectives.

**Climate-related risks**

For more details on Nornickel's climate-related risks and opportunities, please see our [Climate Change Report](#).

Nornickel assesses climate-related risks and opportunities based on the Bank of Russia's recommendations for public joint stock companies to disclose non-financial information<sup>1</sup>

as well as TCFD recommendations, which prioritise the following risks categories:

Physical risks can manifest themselves as abnormal weather (acute) or lasting changes in weather patterns (chronic). Consequences of climate-related physical risks for the Company can include permafrost thawing, changes in water levels in water bodies, precipitation amounts and patterns,

and other climate risk factors which may adversely affect the Group's operations.

Transition risks arise from the transition to a low-carbon economy. Key risks of this type include relevant political, regulatory, technological, market, and reputational risks that can substantially affect demand for Nornickel products.

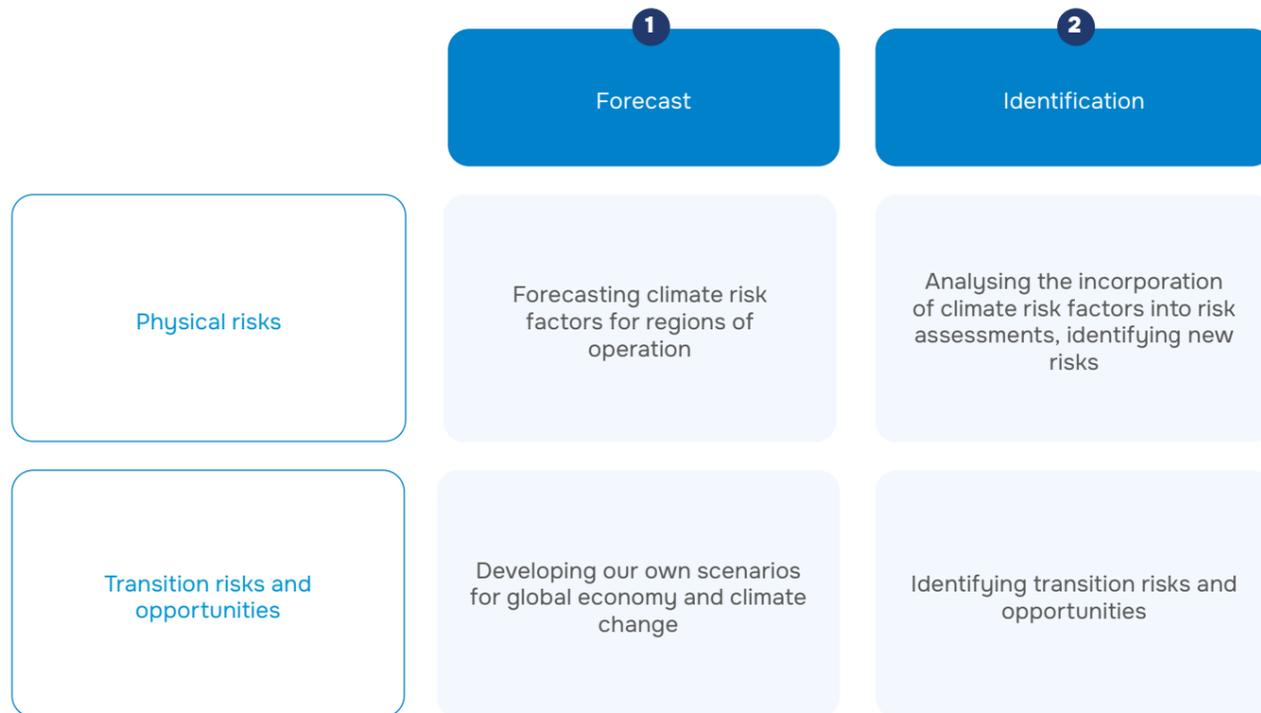
<sup>1</sup> The Bank of Russia's Information Letter No. IN-06-28/49 On Recommendations for Public Joint Stock Companies to Disclose Non-financial Information Related to Their Activities, dated 12 July 2021.

The Company's assets are located in regions that have long been affected by climate change, which is reflected in our current technical, production, and environmental risks. The Company continues integrating its climate risk and risk factor management process into its business processes in

accordance with TCFD and COSO recommendations. The continued integration of physer-term risks. Transition risks can be classified in line with TCFD recommendations both as a standalone risk and as a risk factor for other risks. The Company has compiled a list of its transition risks and ran their pilot assessment.

ical risks implies structuring the procedure and rules around managing both current and longAs part of implementing the TCFD Compliance Roadmap and meeting the objectives set in the corporate Environmental and Climate Change Strategy, Nornickel has been improving its climate risk management.

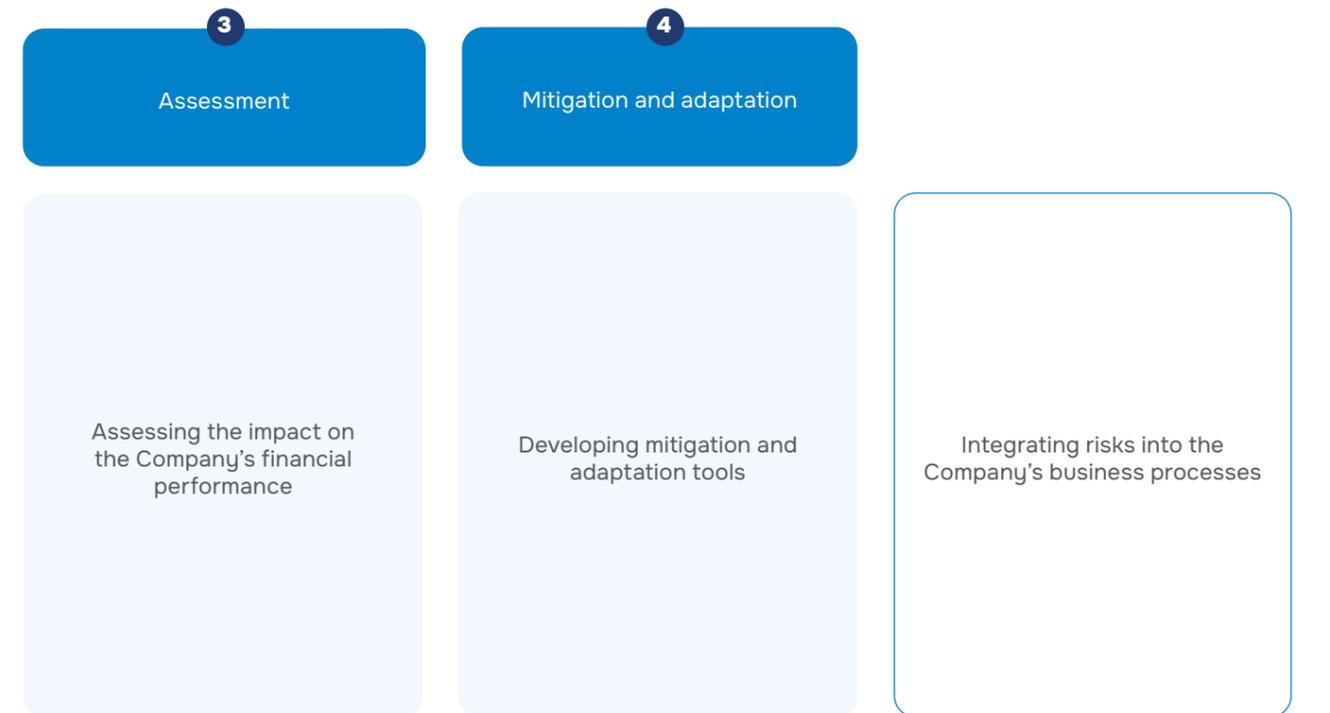
**Developing climate risk management procedures**



The analysis of physical risks relies on public scenarios of the Intergovernmental Panel on Climate Change (SSP1-2.6, SSP2-4.5, SSP5-8.5) localised for all regions where the Company operates its production facilities. To analyse transition risks, we rely on our own scenarios for global economy

and climate change until 2050. As part of permafrost thawing risk management, the Company further develops its facility monitoring system for continuous automated monitoring of permafrost foundation soil temperature and foundation deformations. The monitoring system is developed by the Buildings and

Structures Monitoring Centre of the Norilsk Division, which is responsible for technical supervision and permafrost monitoring and serves as a centre of excellence in engineering geology.



### Permafrost degradation (physical climate risk)

Loss of bearing capacity by pile foundation beds may lead to deformation and collapse of buildings and structures.

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| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Climate change, average annual temperature increases over the last 15 to 20 years</li> <li>• Increased depth of seasonal permafrost thawing</li> </ul>  |
| <b>Effect on Nornickel's development goals and strategy</b> | <ul style="list-style-type: none"> <li>• Effective delivery of finished products (metals) in line with the production programme</li> <li>• Social responsibility: comfort and safety of people living in Nornickel's regions of operation</li> <li>• No emergency situations of interregional or nationwide scale, including environmental damage</li> </ul>   |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>medium.</b></p> <p>Source of risk: <b>external.</b></p> <p>Year-on-year change in risk: <b>stable.</b></p>   |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• carries out regular monitoring of soil condition under the foundations of buildings and structures</li> <li>• carries out geodetic monitoring of the movement of buildings</li> <li>• uses satellite technology to monitor Nornickel's assets and further analyse the data</li> <li>• regularly monitors the ongoing condition of Nornickel's buildings and structures and subsequently processes the results to check for potential risks of Earth surface displacements</li> <li>• regularly monitors the ongoing condition of Nornickel's buildings and structures by scaling the information and diagnostic system (in particular, by deploying automated observation points to monitor the key factors that affect the safe operation of buildings and structures)</li> <li>• monitors soil temperature in the foundations of buildings and structures</li> <li>• takes corrective and adaptive actions to ensure that buildings and structures are technically operational.</li> </ul> |

### Low water levels in rivers (physical climate risk)

Water shortages in storage reservoirs of Nornickel's hydropower facilities may result in failure to achieve required water pressures at HPP turbines, leading to lower power output and to drinking water shortages in Norilsk.

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| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Extreme weather events (droughts) caused by climate change</li> </ul>   |
| <b>Effect on Nornickel's development goals and strategy</b> | <ul style="list-style-type: none"> <li>• Social responsibility: comfort and safety of people living in Nornickel's regions of operation</li> <li>• Lower share of renewables in the Company's energy mix</li> </ul>  |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>medium.</b></p> <p>Source of risk: <b>external.</b></p> <p>Year-on-year change in risk: <b>stable.</b></p>   |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• improves the performance of the closed water circuit to reduce water withdrawal from surface sources (water bodies)</li> <li>• carries out regular hydrological observations to forecast water levels in rivers and other water bodies</li> <li>• cooperates with the Federal Service for Hydrometeorology and Environmental Monitoring (Rosgidromet) on setting up permanent hydrological and meteorological monitoring stations in order to improve the accuracy of water level forecasts for major rivers across Nornickel's regions of operation</li> <li>• dredges the Norilskaya River in the water withdrawal areas to increase water withdrawal reliability during low water periods</li> <li>• implements a number of measures to reduce water consumption by boosting the performance of equipment and production chains</li> <li>• replaced hydropower units at the Ust-Khantayskaya HPP to increase power output through improving the hydropower units' performance.</li> </ul> |

### Transition risks and opportunities

To assess risks and opportunities arising from the global energy transition, Nornickel has developed three own scenarios for global economy and climate change until 2050.

For this exercise, we engaged experts from the Institute for Economic Forecasting of the Russian Academy of Sciences (IEF RAS) and conducted an analysis of some 190 available public scenarios from widely recognised sources, such as the International Energy Agency, the World Energy

Council, the International Renewable Energy Agency, OPEC, Bloomberg, NGFS, Shell, BP, DNV, and others. The resulting three global economy and climate change scenarios are aligned with climate change pathways described in public scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5.

### Key characteristics of the scenarios developed to assess transition risks and opportunities until 2050

|  | Rapid Transition<br>SSP1-2.6  | Sustainable Palladium<br>SSP2-4.5   | Global Growth<br>SSP5-8.5  |
|--|---|---|--|
| <b>Probability</b>                             | <b>25%</b>  | <b>70%</b>  | <b>5%</b>  |
| Development focus                              | Low-carbon development paradigm with the global community's efforts focused on the reduction of GHG emissions | Maintaining current socioeconomic trends. Traditional industries remain centre stage along with the green economy | Abandoning efforts to curb climate change with further rapid economic growth fuelled by hydrocarbons |
| Inflation                                      | High  | Moderate  | Low  |
| Resource/Energy intensity                      | Low   | Moderate reduction  | High   |
| Climate regulation                             | Strict  | Moderate  | Insignificant  |
| CO <sub>2</sub> prices                         | Major increase  | Moderate increase   | At 2021 levels   |
| Temperature change by 2050 <sup>1</sup>        | +1.7°C  | +2.0°C  | +2.5°C   |
| <b>Alignment with the Paris Agreement goal</b> | <b>+</b>  | <b>-</b>  | <b>-</b>   |

The Company has chosen the Sustainable Palladium as its baseline scenario, according to which traditional industries are expected to remain centre stage along with the growing green economy. In particular, internal combustion engine vehicles are expected to retain a large market share, resulting in a steady long-term demand for palladium. The other two scenarios will be used by the Company to stress-test climate-related risks.

### Scenario analysis<sup>2</sup>

Based on its global economy and climate change scenarios, Nornickel has conducted a scenario analysis of the consolidated financial and

economic model until 2050. The analysis has shown revenue growth in all scenarios by 2050 against the average value for 2017–2021. The key revenue growth drivers in the Global Growth scenario are the highest GDP and population growth rate, which will fuel the strongest demand for palladium, nickel, and copper in 2050 vs the other two scenarios.

Although the Rapid Transition scenario is based on the most aggressive decarbonisation rates, which is impossible without green metals – nickel and copper, – the scenario projects the global economy to slow down, with the lowest GDP and population growth rates. On top of that, the total car fleet, along

with the fleet of passenger EVs, hydrogen cars, and plug-in hybrids, in the Rapid Transition scenario will be lower than that in the Sustainable Palladium scenario as a result of the general trend towards reduction in car ownership and use and ride-sharing development.

<sup>1</sup> Growth in temperature vs pre-industrial levels.

<sup>2</sup> A scenario analysis of the consolidated financial and economic model until 2050 in line with three climate scenarios.

### Price risk

Potential decrease in sales revenues due to lower prices for Nornickel metals is subject to actual or potential changes in demand and supply in certain metals markets, global macroeconomic trends, and the financial community's appetite for speculative/investment transactions in the commodity markets.

#### Key risk factors

- Lower demand for metals produced by Nornickel
- A slowdown in the global economy in general and in the economies consuming Nornickel metals in particular
- Supply and demand imbalance in metals markets
- Replacement of metals produced by the Company with alternative materials

#### Effect on Nornickel's development goals and strategy

Upgrade of the existing and construction of new facilities to ramp up our output of core metals and maintain financial stability

#### Risk assessment

Effect on objectives: **high**.

Source of risk: **external**.

Year-on-year change in risk: **stable**.

#### Key mitigants

Nornickel is consciously accepting the existing price risk. To manage this risk, Nornickel:

- continuously monitors and forecasts supply and demand dynamics for key metals
- secures feedstock supplies for key consumers through long-term contracts to supply metals in fixed volumes
- as a member of the Nickel Institute and the International Platinum Group Metals Association, works with other nickel and PGM producers to maintain and expand the demand for these metals
- searches for new applications and uses for palladium.

**Market risk**

Lower competitiveness of Nornickel products in the market may result in their lower liquidity, discounts to the market price, and a decrease in Nornickel's income.

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|---|--|
| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Foreign regulators imposing new foreign trade restrictions that impact the Company's activities</li> <li>• Competition from producers of cheaper nickel</li> <li>• More aggressive transport electrification programmes, requirements on metals and their forms</li> <li>• Stricter market requirements for product quality and ESG compliance</li> </ul>   |
| <b>Effect on Nornickel's development goals and strategy</b> | Upgrade of the existing and construction of new facilities to ramp up our output of core metals and maintain financial stability   |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>high</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>   |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• monitors and analyses changes in market demands for product quality and forms and ESG compliance</li> <li>• stimulates the demand for its key metals</li> <li>• monitors changes in the vehicle fleet mix by engine type and requirements for metals used</li> <li>• diversifies its metal product sales across industries and geographies</li> <li>• improves and diversifies its product range</li> <li>• cooperates with industry institutions to maintain access to relevant sales markets for its metals</li> <li>• cooperates with Russian ministries and agencies to prevent/mitigate negative impacts of local or international regulation</li> <li>• implements an ESG roadmap</li> <li>• seeks partnership opportunities with key producers of cathodes for lithium-ion batteries</li> <li>• maintains strategic partnerships with automakers based on guarantees of long-term palladium supplies</li> <li>• explores partnership options to drive nickel demand in Russia</li> <li>• works on building and enhancing alternative PGM supply/trading platforms.</li> </ul> |

**Financial risks**

This group includes FX, interest rate, and liquidity risks, as well as other risks related to the financial security of the Company's operations and investments.

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| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Increased debt financing costs</li> <li>• Deteriorating market conditions</li> <li>• Sharp rouble exchange rate fluctuations</li> <li>• Limitation of the possibility to raise debt financing due to deterioration in financial markets</li> <li>• Lack of access to key segments of global financial markets (debt and derivatives), limited access to the foreign currency debt market</li> <li>• Unexpected major expenses</li> <li>• Counterparty credit risk</li> <li>• Foreign regulators imposing restrictions that affect Nornickel's operations, its key business partners, and infrastructure partners</li> </ul>   |
| <b>Effect on Nornickel's development goals and strategy</b> | <ul style="list-style-type: none"> <li>• A debt portfolio with a well-balanced profile in terms of maturity, currency composition, and sources of financing</li> <li>• Maintaining a strong investment case</li> </ul>   |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>high</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>decreased</b></p>  |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• maintains a balanced debt portfolio</li> <li>• raises additional rouble-denominated debt to prevent a liquidity shortfall</li> <li>• holds liquidity reserves on the Group's balance sheet to ensure timely payments</li> <li>• monitors its account balances and existing cash gaps, as well as the availability of liquidity reserves on its balance sheet</li> <li>• regularly evaluates key potential risk events through scenario modelling and develops prevention and response plans</li> <li>• constantly seeks new potential partners among borrowing and financial institutions, expanding and diversifying its financial infrastructure</li> <li>• uses different financial models for various purposes, expands the array of financial risk assessment tools (stress testing and reverse stress testing of all financial risks and risk factors considering their combinations, interrelations, and changes over time).</li> </ul> |

**Technical and production risks**

Technical, production, or natural phenomena which, once materialised, could have a negative impact on the implementation of the production programme and cause equipment breakdown or result in the need to compensate damage to third parties.

|   |   |
|---|---|
| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Harsh natural and climatic conditions, including low temperatures, storm winds, and snow load</li> <li>• Unscheduled stoppages of core equipment caused by fixed assets' wear and tear</li> <li>• Release of explosive gases and flooding of mines</li> <li>• Collapse of buildings or structures</li> <li>• Infrastructure breakdowns</li> </ul>  |
| <b>Effect on Nornickel's development goals and strategy</b> | Effective delivery of finished products (metals) in line with the production programme  |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>high</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>  |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• ensures proper and safe operation of its assets in line with the requirements of technical documentation, as well as technical rules and regulations as prescribed by local laws across Nornickel's geographic footprint</li> <li>• develops ranking criteria and criticality assessment for the Norilsk Nickel Group's key industrial assets</li> <li>• ensures timely replacement of fixed assets to consistently achieve production safety targets</li> <li>• continuously monitors the ongoing condition of Nornickel's buildings and structures via an information system for conducting geotechnical surveys</li> <li>• uses satellite technology to monitor Nornickel's assets and further analyse the data</li> <li>• implements automated systems to control equipment process flows, uses state-of-the-art engineering controls</li> <li>• improves its maintenance and repair system</li> <li>• trains and educates its employees both locally on site and centrally through its corporate training centres</li> <li>• systematically identifies, assesses, and monitors technical and production risks, implements a programme of organisational and technical measures to mitigate relevant risks</li> <li>• continuously monitors the industrial asset management system</li> <li>• ensures risk review by collective bodies at all management levels of the Company</li> <li>• develops the technical and production risk management system, including by engaging independent experts to assess the system's performance and completeness of risk data</li> <li>• develops and tests business continuity plans, which set out a sequence of actions to be taken by Nornickel's personnel and internal contractors in case of technical and production risks causing maximum damage. These plans ensure that Nornickel resumes its production operations as soon as possible after any disruption</li> <li>• engages, on an annual basis, independent surveyors to analyse Nornickel's exposure to disruptions in the production chain and make assessments of related risks.</li> </ul> |

**Investment risks**

Risk related to time and budget overruns, and performance targets of Nornickel's major investment projects.

|   |   |
|---|---|
| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Changes in forecasts of ore volumes, grades, and properties resulting from follow-up exploration</li> <li>• Changes in investment project timelines</li> <li>• Further changes to budgets of investment projects</li> <li>• Amendments to project performance targets in the course of implementation</li> </ul>   |
| <b>Effect on Nornickel's development goals and strategy</b> | <ul style="list-style-type: none"> <li>• Strategic goal: growth driven by Tier 1 assets</li> <li>• Developing the mining, concentration, and metallurgical assets</li> <li>• Developing the mineral resource base and upgrading core production processes at Nornickel's Tier 1 assets</li> </ul>   |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>high</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>  |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• carries out accelerated exploration and updates project performance targets and the mining plan (a long-term production plan) based on the progress of its major investment projects developing the mineral resource base</li> <li>• conducts resource, geomechanical, and hydrogeological modelling</li> <li>• holds external expert audits of geological data</li> <li>• develops an in-house geological and mining information system</li> <li>• models mining options in geological and mining information systems</li> <li>• as part of the project assurance process, conducts internal (cross-functional) audits of major investment projects at each stage in their life cycle</li> <li>• improves incentives to drive project delivery and build skills and capabilities (including staff certification, identification of improvement areas, and provision of tailored training)</li> <li>• improves project delivery standards, develops project management tools</li> <li>• promotes the use of pilot units across all technically challenging and unique processing stages</li> <li>• redesigns projects and substitutes supply routes to source materials/services from friendly countries, taking into account sanctions</li> <li>• implements a transformation programme for GiproNikel Institute to improve the quality and reduce the timelines of R&amp;D projects and survey and engineering activities</li> <li>• enhances project management competences of project teams and ensures best practice sharing through its Project Forum held on a regular basis.</li> </ul> |

**Health and safety risks**

Failure to comply with Nornickel’s health and safety (H&S) rules may result in threats to health and life or temporary suspension of operations, or cause property damage.

|  |  |
|--|--|
| <b>Key risk factors</b>                              | <ul style="list-style-type: none"> <li>Suboptimal methods of work organisation</li> <li>Disruptions in technological processes</li> <li>Exposure to hazards</li> </ul>   |
| <b>Влияние на цель и стратегию развития Компании</b> | Health and safety  |
| <b>Risk assessment</b>                               | <p>Effect on objectives: <b>high</b></p> <p>Source of risk: <b>internal</b></p> <p>Year-on-year change in risk: <b>stable</b></p>  |
| <b>Key mitigants</b>                                 | <p>Pursuant to the Occupational Health and Safety Policy approved by the Board of Directors, Nornickel:</p> <ul style="list-style-type: none"> <li>continuously monitors compliance with H&amp;S requirements</li> <li>improves the working conditions for its employees and contractors deployed at Nornickel’s production facilities, including by implementing new technologies and labour-saving solutions as well as enhancing industrial safety at production facilities</li> <li>provides employees with certified state-of-the-art personal protective equipment</li> <li>improves the system of stationary gas analysers, provides employees with portable gas analysers</li> <li>carries out preventive and therapeutic interventions and enforces hygiene protocols to reduce the potential impact of work-related hazards</li> <li>provides regular training and briefings to employees on health and safety, assesses their health and safety performance, and conducts corporate workshops, including by deploying special simulator units</li> <li>enhances methodological support for H&amp;S functions, including through the development and implementation of corporate standards</li> <li>improves the risk assessment and management framework across Group enterprises as part of the Risk Control project</li> <li>reviews the competencies of line managers across Nornickel enterprises, develops H&amp;S training programmes, and arranges relevant trainings</li> <li>holds H&amp;S competitions</li> <li>communicates the circumstances and causes of accidents to all Nornickel employees, conducts ad hoc safety briefings</li> <li>introduces frameworks to manage technical, technological, organisational, and HR changes.</li> </ul> |

**Compliance risks**

The risk of legal liability, significant financial losses, suspension of production, revocation/suspension of a licence, loss of reputation, or other adverse effects arising from Nornickel’s non-compliance with applicable laws, regulations, instructions, rules, standards, codes of conduct, or from the imposition of sanctions and/or other corrective measures by external supervisory bodies.

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| <b>Key risk factors</b>                              | <ul style="list-style-type: none"> <li>Discrepancies in rules and regulations</li> <li>Considerable powers and a high degree of discretion exercised by supervisory bodies</li> <li>Regulatory instability</li> <li>Market practices driven by business customs and specific to the country</li> </ul>  |
| <b>Влияние на цель и стратегию развития Компании</b> | Compliance by Nornickel and Russian entities of the Norilsk Nickel Group with applicable laws, regulatory requirements, corporate standards, and business codes   |
| <b>Risk assessment</b>                               | <p>Effect on objectives: <b>medium</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>  |
| <b>Key mitigants</b>                                 | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>ensures the development and update of key procedural documents on compliance</li> <li>applies best practices to further improve the compliance system</li> <li>takes measures to ensure compliance with applicable laws</li> <li>protects its interests during regulatory inspections and administrative proceedings</li> <li>ensures that agreements signed by Nornickel contain clauses safeguarding its interests</li> <li>ensures pre-contractual due diligence of counterparties, partners, and suppliers</li> <li>takes measures to prevent and mitigate compliance risks at the Norilsk Nickel Group</li> <li>consistently keeps employees up to date on the Company’s requirements and measures to mitigate compliance risks</li> <li>ensures that the Corporate Trust Line receives and handles reports of corruption, fraud, embezzlement, or other wrongdoing, either planned or committed</li> <li>maintains and enhances an antitrust compliance system</li> <li>ensures performance evaluation of compliance controls at the Norilsk Nickel Group.</li> </ul> |

**Information security risks**

This group includes risks such as potential cybercrimes, an unauthorised transfer, modification, or destruction of data assets, disruption or reduced efficiency of Nornickel’s IT services as well as business, technological, or production processes.

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| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Growing external threats</li> <li>• Unfair competition</li> <li>• Rapid development of Nornickel’s IT infrastructure and automation of technological and business processes</li> <li>• Unlawful acts by employees and/or third parties</li> <li>• Working from home / hybrid work schedule and hiring remote employees outside Nornickel’s regions of operation</li> <li>• Sanctions restricting the functionality of protection tools</li> </ul>  |
| <b>Effect on Nornickel’s development goals and strategy</b> | Mitigation of the information security risk and risk of cyberattacks on Nornickel’s information systems and automated process control systems   |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>medium</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>  |
| <b>Key mitigants</b>  | <p>To manage this risk, Nornickel:</p> <ul style="list-style-type: none"> <li>• ensures compliance with applicable Russian laws and regulations with respect to the protection of personal data, insider information, trade secrets, and critical information infrastructure</li> <li>• implements MMC Norilsk Nickel’s Information Security Policy</li> <li>• categorises data assets and makes information security risk assessments</li> <li>• embeds and monitors compliance with corporate information security standards within information systems and automated process control systems</li> <li>• raises information security awareness among employees</li> <li>• substitutes imported data protection tools whose functionality was restricted due to sanctions</li> <li>• uses technical means to ensure information security of assets and manage access to data assets</li> <li>• monitors threats to information security and the use of technical protection means, including vulnerability analysis, penetration testing, cryptographic protection of communication channels, controlled access to removable media, protection from confidential data leaks, and mobile device management</li> <li>• develops information security regulations</li> <li>• sets up and certifies the Company’s information security management system</li> <li>• implements measures to ensure safe remote access.</li> </ul> |

**Environmental risks**

This risk group includes events that result in environmental pollution, are not provided for in approved technological processes and Russian laws, and affect the achievement of the Company’s environmental goals.

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| <b>Key risk factors</b>                                     | <ul style="list-style-type: none"> <li>• Failure to comply with the requirements of environmental laws when operating the Company’s facilities</li> <li>• Poor internal management and control</li> <li>• Delay in implementing environmental programmes and measures</li> <li>• Natural and climate phenomena</li> </ul>  |
| <b>Effect on Nornickel’s development goals and strategy</b> | Compliance of business with applicable environmental laws, regulations, corporate standards, and business codes related to environmental protection  |
| <b>Risk assessment</b>                                      | <p>Effect on objectives: <b>medium</b></p> <p>Source of risk: <b>mixed</b></p> <p>Year-on-year change in risk: <b>stable</b></p>   |
| <b>Key mitigants</b>  | <p>To manage these risks, Nornickel:</p> <ul style="list-style-type: none"> <li>• develops, implements, and improves environmentally sustainable business processes and introduces advanced practices and approaches</li> <li>• has in place an incentive system and promotes environmental competencies of its employees</li> <li>• implements its corporate Environmental and Climate Change Strategy</li> <li>• implements environmental initiatives at the Company and Russian entities of the Norilsk Nickel Group</li> <li>• oversees environmental compliance and the implementation of environmental programmes and measures.</li> </ul> |

**Social risk**

Tensions may escalate among the workforce due to the deterioration of social and economic conditions in Nornickel's regions of operation.

- Key risk factors**
- Headcount / staff composition optimisation projects
  - Rejection of Nornickel's values by individual employees and/or third parties
  - Limited ability to perform annual wage indexation
  - Dissemination of false and inaccurate information about Nornickel's plans and operations among Group employees
  - Reallocation of funds originally intended for social programmes and charity

- Effect on Nornickel's development goals and strategy**
- Social responsibility:
- Partnering with regional and local authorities to develop a social infrastructure that supports a safe and comfortable living environment for local communities
  - Facilitating the employees' professional and cultural development and building up talent pools across Nornickel's regions of operation
  - Running wide-ranging charity programmes and projects

- Risk assessment**
- Effect on objectives: **medium**
- Source of risk: **mixed**
- Year-on-year change in risk: **stable**

- Key mitigants**
- To manage this risk, Nornickel:
- strictly adheres to the terms and conditions of collective bargaining agreements between Group companies and employees (the Group has signed a total of 22 collective bargaining agreements)
  - interacts with regional authorities, municipalities, and civil society institutions
  - fulfils its social obligations under public-private partnership agreements
  - runs corporate social responsibility programmes and the World of New Opportunities charity programme aimed at supporting and promoting regional civil initiatives, including by indigenous peoples of Taimyr, and the Plant of Goodness employee volunteering programme
  - implements infrastructure projects to support the accelerated development of the service economy and improved living standards across Nornickel's regions of operation through the Norilsk Development Agency, the Second School centre for community initiatives in the Pechengsky District, and the Monchegorsk Development Agency
  - carries out regular sociological monitoring across its operations
  - surveys Norilsk residents on living standards, employment, migration trends, and general social sentiment to identify major issues
  - runs social projects and programmes aimed at supporting employees and their families, as well as Nornickel's former employees
  - maintains dialogues with stakeholders and conducts stakeholder questionnaire surveys when preparing the Group's public sustainability reports
  - provides a range of social support measures to redundant staff under Kola MMC's social programmes and develops the Social and Economic Development Strategy of the Pechengsky District.

**Supply chain risks**

Supply chain interruption/disruption within the existing transport and logistics system.

- Key risk factors**
- Challenging natural and climatic conditions in the regions of operation
  - Limitations of the transport and logistics system
  - Growing inflation, FX rates, pricing pressure from suppliers, poor planning, and other factors
  - Breach of contracts by contractors

- Effect on Nornickel's development goals and strategy**
- Effective delivery of finished products in line with the production programme
  - Timely supply of products to consumers

- Risk assessment**
- Effect on objectives: **medium**
- Source of risk: **mixed**
- Year-on-year change in risk: **stable**

- Key mitigants**
- To manage this risk, Nornickel:
- actively engages Russian manufacturers to expand competition
  - uses long-term agreements / contracts / price lists with fixed optimal prices for materials, equipment, and spare parts on terms that are most beneficial for the Company
  - drafts lists of critical manufacturers of equipment and materials, works to prevent supply disruptions, and monitors suppliers' performance
  - implements its Logistics Infrastructure Development Programme.