

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