

# 07 Corporate governance



# Corporate governance framework

The corporate governance framework in place at Norinickel is focused on protecting shareholder rights and interests, enhancing the effectiveness and transparency of the Board of Directors and executive management, and fostering constructive engagement with stakeholders.

Norinickel complies with Russian laws, follows the principles and recommendations of the Corporate Governance Code, and adheres to the listing rules of the Moscow Exchange. The Company has adopted a set of internal documents that govern specific elements of its corporate governance framework<sup>1</sup>.

## Shareholding structure

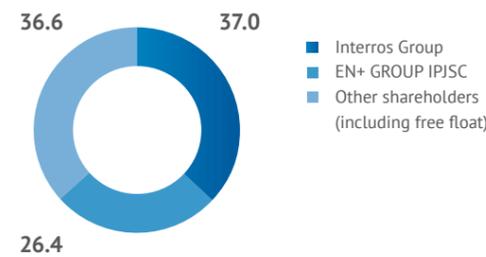
Norinickel's market capitalisation at the end of 2024 was

**RUB 1,766 billion**

To improve share accessibility for a broader base of retail investors, the Company conducted a 100-for-1 share split<sup>2</sup> in April 2024. As a result, the total number of shares increased to 15,286,339,700, with a nominal value of RUB 0.01 each. 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.

Norinickel shares are included in the [first-level quotation list of the Moscow Exchange](#).

### Shareholding structure as at 31 December 2024 (%)



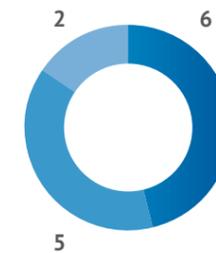
## Board of Directors

The General Meeting of Shareholders elects the members of the Board of Directors for a period until the next Annual General Meeting of Shareholders. All Board members meet the qualification requirements set forth in the [Policy on Development and Approval of Vote Recommendations on Candidates Nominated to the Board of Directors of PJSC MMC Norilsk Nickel](#).

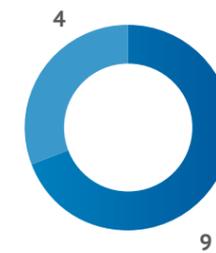
MED-37

**13 members**

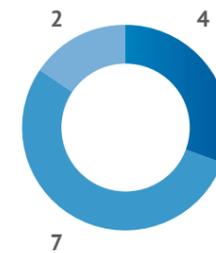
the current size of the Board of Directors, which is best aligned with Norinickel's goals and objectives



- Independent directors
- Non-executive directors
- Executive directors



- Male
- Female



- 35-50 years
- 51-59 years
- >60 years

UNCTAD D.1.2 / MED-44

As at the end of 2024, the Board of Directors included six independent directors (46% of the total membership), whose professionalism and sovereignty enabled them to form their own positions on agenda items – thereby strengthening stakeholder confidence in Board decisions

UNCTAD D.1.3 / MED-37

Norinickel's Board of Directors includes four women (31% of all members), reflecting strong female representation on the board – a figure well above the national average<sup>3</sup> and aligned with international standards for board diversity

As at the end of 2024, the average age of Board members was 54, and their average tenure on the Board was 5.4 years

## Governance bodies

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

Corporate governance at Norinickel is built on a clear delineation of responsibilities between its governance bodies.

The detailed governance structure is presented on [Norinickel's website](#).

Governance body	Status	Responsibilities	Regulations
General Meeting of Shareholders (GMS)	The Company's highest governance body	Decision making on key matters PJSC MMC Norilsk Nickel	<a href="#">Articles of Association of PJSC MMC Norilsk Nickel</a> <a href="#">Amendments to the Articles of Association of PJSC MMC Norilsk Nickel are available on the Company website</a> <a href="#">Regulations on the General Meeting of Shareholders of PJSC MMC Norilsk Nickel</a>
Board of Directors		Strategic management and oversight of the activities of executive bodies	<a href="#">Regulations on the Board of Directors of PJSC MMC Norilsk Nickel</a> <a href="#">Articles of Association of PJSC MMC Norilsk Nickel are available on the Company website</a>
Management Board	Collective executive body	Management of day-to-day operations	<a href="#">Regulations on the Management Board of PJSC MMC Norilsk Nickel</a>
President	Sole executive body		-

<sup>1</sup> The full versions of the documents are available on the Company website at <https://norinickel.com/investors/disclosure/corporate-documents/>.

<sup>2</sup> Increase in the number of the issuer's securities with a reduction of their nominal value without changing the issuer's capitalisation.

<sup>3</sup> In 2024, the average proportion of women on boards of directors was 14.6%.



GRI 2-12, 2-13, 2-16 / UNCTAD D.1.1 / MED-36 / TNFD Ga, Gb

Meetings of the Board of Directors are held as needed, but at least once every six weeks. On a quarterly basis, the Board of Directors reviews the Company's financial

results as well as operational performance and H&S reports.

**27 meetings**

held by the Board of Directors in 2024

**99%**

attendance at meetings of the Board of Directors in 2024

**89 resolutions**

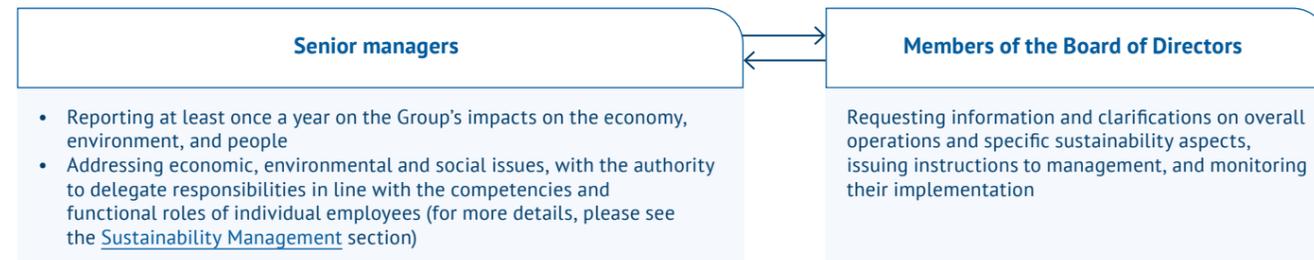
adopted by the Board of Directors in 2024

**71 matters**

considered by the Board of Directors in 2024



**Engagement between senior management and the Board of Directors on managing the Group's impacts**



**Critical matters in the context of sustainable development discussed by the Board of Directors and its committees in 2024**

A framework to identify and assess climate-related physical and transition risks	2031 Environmental and Climate Change Strategy, key focus areas of the Carbon Neutrality Strategy	Implementation status of clean-up measures following the 2020 diesel fuel spill accident	Key sustainability projects in 2022 and 2024	Review of Nor Nickel's 2023 Sustainability Report and thematic reports
Approval of internal documents (Charity Policy, Policy of Engagement with Indigenous Small-Numbered Peoples)	Approaches to setting the Company's team KPIs for 2024	Assessing sustainability risk management effectiveness at Nor Nickel	Consideration of progress reports on the implementation of the 2031 Environmental and Climate Change Strategy, 2030 Socially Sustainable Development Strategy, Sulphur Project, Comprehensive Plan for Social and Economic Development of the Norilsk Municipality, and additional initiatives in Norilsk	

**Induction and training of Board members**

GRI 2-17

The [Professional Development Policy for Members of the Board of Directors](#) is aimed at expanding and updating the knowledge of those serving on this collective governance body. The document outlines two key areas of professional development:

- Induction training for new members of the Board of Directors, which includes visits to key assets, introductions to managers, and familiarisation with the Company's structure, internal procedures and documents, and overall operations
- Continuous professional development programmes, designed annually based on the performance evaluation of the Board and the individual needs of its members (comprising both general and individual

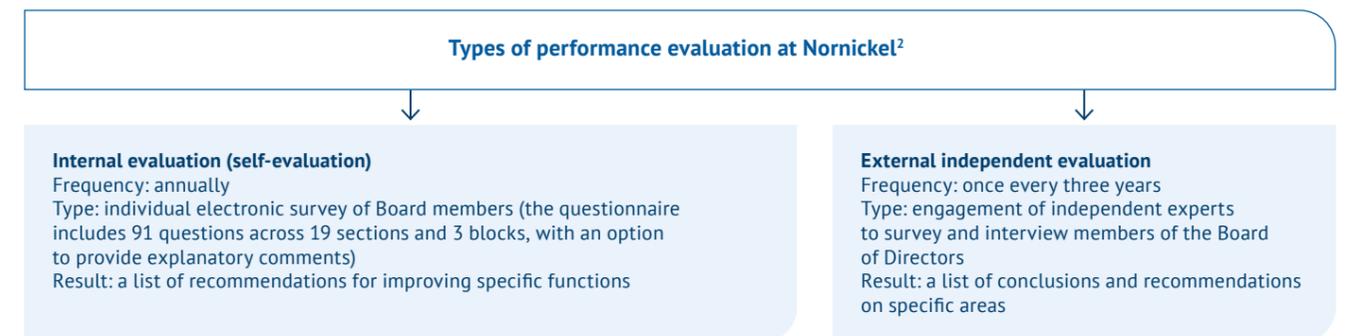
components). The primary focus is on topics related to the Company's core activities, corporate governance, strategic management, and industry trends. Board members take the insider information management training course. In addition, the programmes recommend site visits to the Company's major production facilities. For example, in June 2024, members of the Board of Directors visited the production site in the Gazimuro-Zavodsky District, followed by a meeting with managers in Chita to discuss the strategic development of the Trans-Baikal Division's mining and processing enterprise and review the current state of affairs, including health and safety, environmental protection, team development, and operational performance

**Performance evaluation of the Board of Directors**

GRI 2-18

The Company has in place the [Performance Evaluation Policy for the Board of Directors](#), which regulates a structured mechanism for annual evaluation of the collective body's performance.

**Types of performance evaluation at Nor Nickel**



In 2024, the work of the Board of Directors reflected several recommendations from the Corporate Governance, Nomination, and Remuneration Committee, including, but not limited to: direct visits to the Company's production assets to gain a deeper insight into the operations of Russian business units;

informal meetings with the Company's senior management; discussions on a number of matters within Board working groups; inviting all interested Board members to attend committee meetings; and reviewing strategic documents in conjunction with one another.

<sup>1</sup> Training was delivered in 2023. The course was not assigned for retake in 2024 due to the absence of changes in the course materials.  
<sup>2</sup> In 2024, the Board of Directors underwent an external independent performance evaluation, and therefore no internal self-assessment was conducted that year. For more details, please see [Nor Nickel's 2024 Annual Report](#).

## Board committees

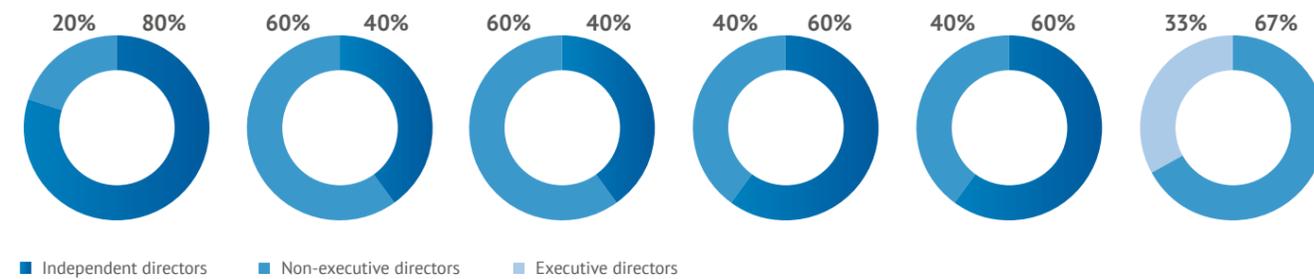
The committees assist the Board by developing recommendations on various important matters related to the Company's operations. Their structure, responsibilities, and formation procedure are governed by the regulations of the respective committees<sup>1</sup>.

[The key functions of the Board committees are presented in Nornickel's 2023 Sustainability Report.](#)

## Composition of the Board committees as at 31 December 2024

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

Audit Committee	Budget Committee	Strategy Committee	Corporate Governance, Nomination, and Remuneration Committee	Sustainable Development and Climate Change Committee	Transactions Committee
5 members	5 members	5 members	5 members	5 members	3 members
Chairman – independent director	Chairman – non-executive director	Chairman – independent director	Chairman – independent director	Chairman – independent director	Chairman – non-executive director



## Executive governance bodies

GRI 2-13

The President of the Company is elected by the General Meeting of Shareholders for an indefinite term. In 2024, the position of the Company's President was held by Vladimir Potanin. As at the end of 2024, Vladimir Potanin had held the position of President (previously CEO until 2015) for 13 years.

The Company does not have a formalised procedure for assessing the professional skills, qualifications, and experience of members of executive bodies. Consultations are held with members of executive bodies, and candidates are evaluated by the relevant committee, which decides on their inclusion in the executive body. Management regularly reports to the Board of Directors and relevant committees, which is regarded as a proxy measure for assessing their professional skills and competencies.

**14 members**

the size of the Management Board (36% are women)

The Management Board reports to the Company's Board of Directors and General Meeting of Shareholders and ensures the implementation of their resolutions. The Management Board is responsible for managing the Company's impacts on the economy, environment, and people.

## Preventing conflicts of interest

GRI 2-15

Nornickel implements a range of measures to prevent and resolve potential conflicts of interest involving shareholders and members of its governance bodies.

All transactions that meet the criteria for interested-party transactions are executed in accordance with Russian laws on joint stock companies. Special attention is given to transactions with shareholders holding more than 5% of voting shares and their affiliated persons. Such transactions require approval by a qualified majority of the Board

of Directors (at least 10 out of 13 members), as stipulated by the [Company's Articles of Association](#). The Company's internal documents also require members of the Board of Directors and Management Board to refrain from actions that may create a conflict of interest and, if a conflict arises, to notify the Corporate Secretary in writing. If a Board member has a personal interest in a matter submitted for consideration by the Board of Directors, they must disclose it in advance, abstain from the discussion, and refrain from voting on the matter.

## Remuneration system

GRI 2-19, 2-20

### Remuneration of non-executive governance bodies

The Remuneration Policy for Members of the [Board of Directors, approved by the General Meeting of Shareholders](#), regulates the remuneration structure, amount, and payment procedure and also covers liability insurance, reimbursement of expenses and losses, and disclosure of information on remuneration.

#### Structure of annual remuneration for non-executive directors

**USD 120 thousand**

base remuneration for Board membership

**USD 75 thousand**

additional remuneration for serving on a Board committee

**USD 150 thousand**

additional remuneration for chairing a Board committee

**USD 1 mln**

remuneration of the Chairman of the Board of Directors<sup>2</sup>

Reimbursement of expenses incurred by members of the Board of Directors in the performance of their duties



<sup>1</sup> The full versions of the documents are available on the Company website at <https://nornickel.com/investors/disclosure/corporate-documents/>.

<sup>2</sup> Payable every quarter in equal installments in roubles at the Bank of Russia's exchange rate as at the last business day of the reporting quarter. This amount is net of tax withheld in accordance with applicable Russian laws. As at the end of 2024, the Chairman of the Board of Directors did not serve on any Board committee, which is in line with international best practices.



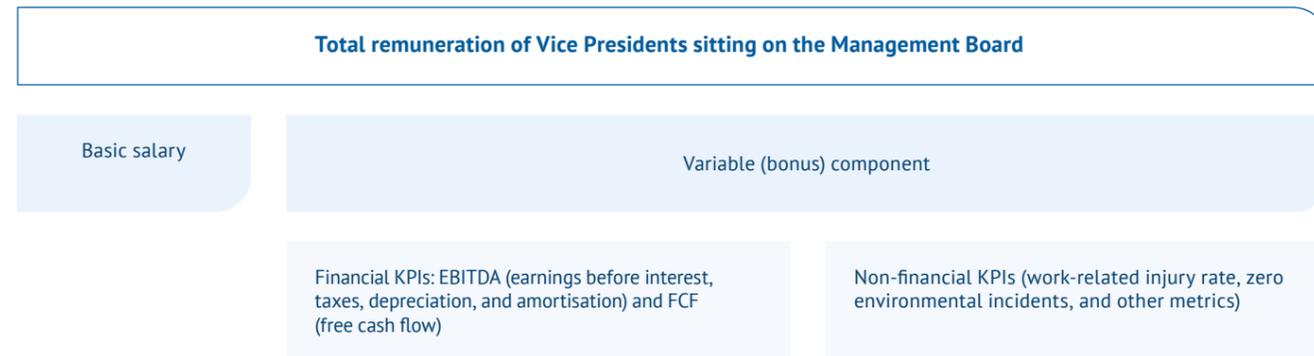
# Internal control and risk management

## Remuneration of executive governance bodies

Matters related to the remuneration of members of executive governance bodies are defined in the [Articles of Association](#), [Regulations on the Management Board](#), and other internal documents of the Company<sup>1</sup>.

The operation of Nornickel's current remuneration system – including the determination of remuneration and compensation for the President – is overseen by the Board of Directors.

### Total remuneration of Vice Presidents sitting on the Management Board



### Total remuneration of the President



<sup>1</sup> For details on sustainability KPIs approved for the Company's senior management, please see the [Sustainability Management](#) section.

TNFD Sa, Ra, Rb, Rc

## Nornickel's corporate risk management system

### Nornickel's corporate risk management system

- Integration of the corporate risk management system (CRMS) into business processes
- Risk-based decision making at various levels of the Company to support the achievement of strategic and operational goals
- Adherence to principles and requirements established by Russian laws, professional standards<sup>2</sup>, and internal documents<sup>3</sup>

### 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 key risk management actors at Nornickel are the Board of Directors and its Audit Committee, the Management Board and its Risk Management Committee, the Risk Management Service, the Internal Control Department, the Internal Audit Department, and designated risk owners. The allocation of risk management responsibilities among these actors is detailed in [Nornickel's 2023 Sustainability Report](#)

In 2024, Nornickel implemented a number of projects and initiatives aimed at improving its CRMS and maintaining the system's high level of maturity.

<sup>1</sup> The full versions of the documents are available on the Company website at <https://nornickel.com/investors/disclosure/corporate-documents/>.

<sup>2</sup> 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).

<sup>3</sup> Risk Management Policy of PJSC MMC Norilsk Nickel; PJSC MMC Norilsk Nickel's Procedure Rules for Risk Management.

**Initiatives to further develop Nornickel's risk management system in 2024**

- Further improved automation tools for investment project risk management as well as integration between risk management and budget planning processes through an existing GRC system
- Updated the quantitative assessment of the cumulative impact of risks on functional strategies
- Provided training for Company employees
- Developed an e-course on investment project risk management, along with a self-diagnostic tool for assessing risk culture
- Maintained regular activities of the Management Board's Risk Management Committee and dedicated function-level risk management committees

**Initiatives to further develop Nornickel's risk management system in 2024**

- Ran a quantitative assessment of the cumulative impact of key risks on the Company's 2025 budget as well as an analysis of the budget sensitivity to key risks, with follow-up risk management measures included in the budget
- Monitored Company-level and division-level risk appetite metrics
- Further improved quantitative assessment tools for operational risks
- Ran regular quantitative assessments of investment project risks
- Had the ESG risk management system independently assessed by a third party, confirming its high effectiveness

In line with risk management system improvement plans, the following areas have been prioritised for 2025:

- Further automating risk management 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 recommendations

**Sustainability risk management**

The most significant risks by effect on Nornickel's goals and by source are shown on the map of key risks.

Year-on-year changes in risk assessment results mainly demonstrate the effect of mitigating measures and changes in external factors on the Company as it adapted to a new normal.



**Climate-related risks**

Nornickel is improving its climate risk management procedures. For details on physical and transition risks, including methodologies for identifying and assessing such risks, and the climate scenarios developed, please see the [Climate Change](#) section and [Nornickel's 2024 Climate Change Report](#).

**Risk 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.

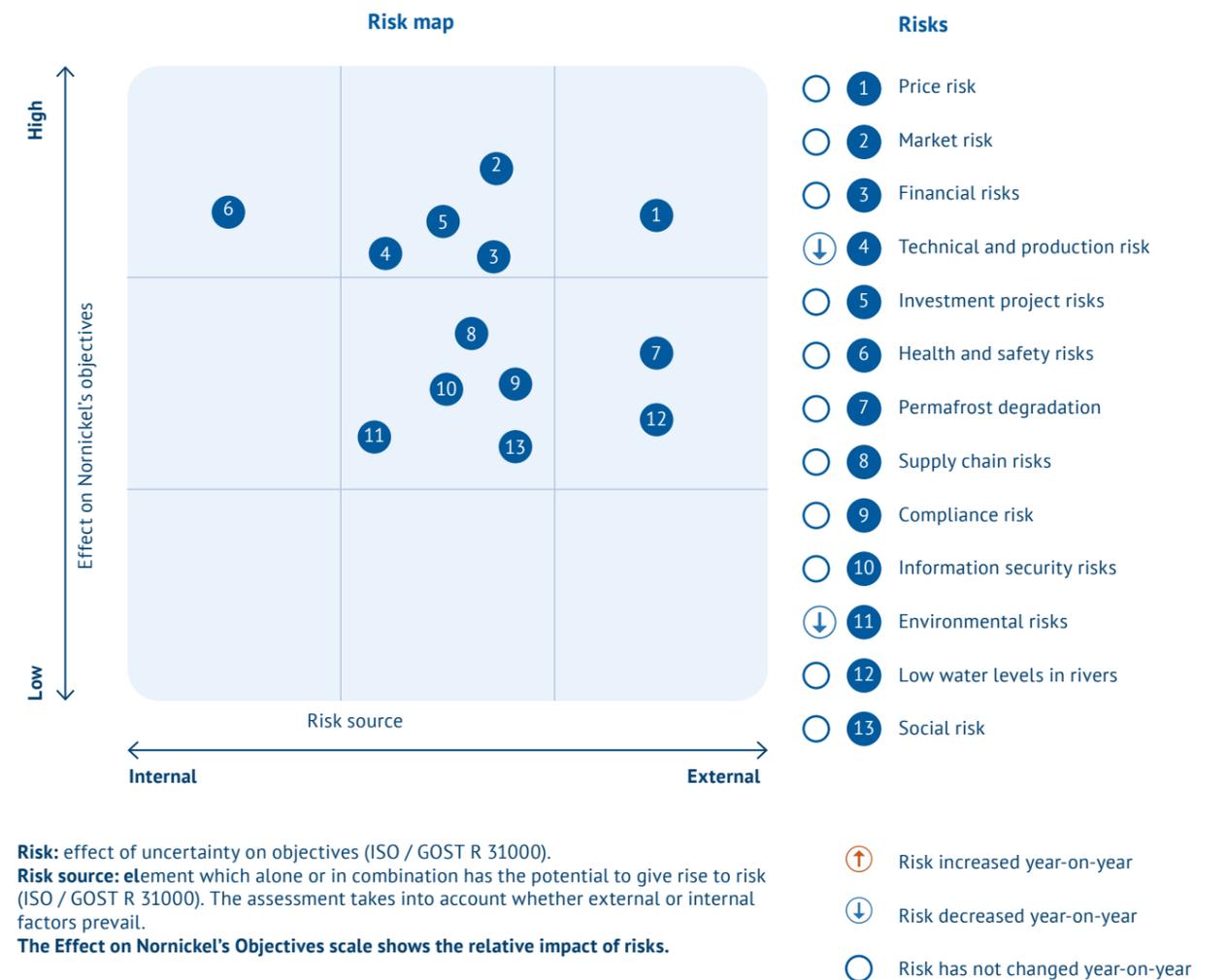
For a description of Nornickel's key risks and relevant mitigation initiatives, please see [Nornickel's 2024 Annual Report](#) and [Nornickel's 2023 Sustainability Report](#).

Nornickel has centralised its insurance function to ensure the consistent implementation of its uniform insurance policy and standards. The Company annually approves a comprehensive insurance 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, information risks, construction and installation, various vehicles, 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.

**Map of Nornickel's material risks with year-on-year changes in 2024**



# Tax strategy

GRI 207-1, 207-2, 207-3

GRI 14.23.4, 14.23.5, 14.23.6

## Tax management system at Nornickel

### The Company's general approach to tax matters

- Strict compliance with all applicable tax laws of the Russian Federation and other countries of operation<sup>1</sup>
- Paying taxes and making other statutory payments to governments in a full and timely manner
- Disclosing information relevant to stakeholders on the corporate portal
- Zero tolerance for non-transparent corporate structures intended to conceal income and avoid taxation
- Applying market prices for tax purposes in intra-group transactions
- Complying with the core principles set out in the Organisation for Economic Co-operation and Development (OECD) Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations
- Applying a conservative approach to resolving all ambiguous or disputable tax matters arising in the jurisdictions where the Group operates
- Zero tolerance for aggressive tax planning schemes

### Key internal documents

The Norilsk Nickel Group's Tax Strategy Policy outlines the operating principles of the Company's tax function and addresses matters related to the management of tax burden and tax risks.

### Taxation: allocation of responsibilities

The Management Board approves the tax strategy, which is developed, updated as needed, and overseen by the Director of the Tax Department. This functional unit is also responsible for managing tax risks of Russian business units. Risk factors related to additional taxation and penalties, contingent tax liabilities, and the external auditor's opinion confirming the accuracy of tax information are disclosed in [Nornickel's Consolidated Financial Statements for 2024](#).

For a detailed governance structure with allocation of responsibilities for tax matters, please see [Nornickel's 2023 Sustainability Report](#).

### Relations with tax authorities

The Group's interaction with tax authorities includes tax audits, advisory support on applicable laws, and the conclusion of pricing agreements.

The real-time tax monitoring system enables the Company to regularly grant tax authorities automated access to its tax and accounting data, obtain reasoned opinions during the monitoring process, and accelerate risk resolution.

>97%

of the Group's turnover is monitored by tax authorities in real time

2x

fewer document requests, leading to a lower administrative burden

60%

reduction in the number of tax audits

# Corporate security

To maintain a high level of emergency preparedness across facility security teams and equipment, the Company delivered a range of activities including:

630

training sessions conducted in 2024

90

general drills carried out in 2024

35

tactical and special drills organised in 2024

To support the resilience and uninterrupted, safe operation of the Group's facilities and infrastructure, Nornickel implements a comprehensive approach based on embedding corporate security elements and factors in the Company's business processes and activities.

The Group's corporate security system encompasses planning, organisation, and management across the following areas:

- Facility, transport, internal, economic, and personnel security
- Security-related investment projects

These processes are owned and managed by the Corporate Security business vertical of PJSC MMC Norilsk Nickel.

Security at the Group's facilities combines physical protection with engineering and technical safety systems. In accordance with applicable laws, the Company engages security providers from a vetted list of Nornickel's reliable partners – organisations with strong business reputation both within the Group and in the broader security market.

The Corporate Security business vertical includes units responsible for countering emerging threats (such as UAVs) and advancing promising areas of corporate security, including the digital transformation of security processes.

Nornickel's network of security operations centres operates on a unified software and analytics platform that aggregates security-related data from facilities covered not only by Corporate Security but also by other Company units.

To promote the corporate security agenda, strengthen partnerships with industry peers, and share lessons learned, Nornickel's Corporate Security team actively participated in security-focused national and international events throughout the year – such as conferences, forums, panel sessions, and round tables – including as speakers or moderators.



<sup>1</sup> The Group's foreign entities interpret applicable tax laws and resolve controversial tax issues independently.